

THE
TRUST
for
PUBLIC
LAND



November 2, 2012

Via hand delivery

Keith Olinger, Enforcement Office (SFD-7-5)
United States EPA, Region 9
75 Hawthorne Street
San Francisco, CA 94105

California Office
101 Montgomery St.
Suite 900
San Francisco, CA
94104
T (415) 495-5660
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www.tpl.org

Re: Information Request Letter Related to Stringfellow Superfund Site

Dear Mr. Olinger:

We refer to the Information Request Letter Related to Stringfellow Superfund Site, dated October 4, 2012, from Kathi Moore, Manager, Case Development Cost Recovery Section, Superfund Division, addressed to William B. Rogers, President and CEO of The Trust for Public Land (the "Information Request"). Unless otherwise defined, capitalized terms used in this letter will have the same meanings given to them in the Information Request.

The land conservation transaction to which the Information Request pertains was completed by TPL in 2001. As I have mentioned in our telephone conversation, TPL, like many other businesses, has a "Records Retention Policy" that governs our organization's management and maintenance of business records in connection with our operations and activities. In compliance with such Policy, not all documents are retained indefinitely once a land conservation project is completed; files containing documents of closed projects are routinely purged after a period of time. Furthermore, TPL moved its offices in July 2009 from 116 New Montgomery Street, San Francisco to a smaller office space (with much more limited storage capacities) at the current address. In preparation for that move, boxes and files of documents of old, closed projects were purged as part of the effort to conserve use of office space in our new offices.

Upon receipt of the Information Request, we have conducted a search of our archives and have found a limited number of documents that are responsive to the Information Request. Enclosed are the relevant documents, as listed in Exhibit A to this letter.

Below is TPL's response to, specifically, items 1 through 12 set forth in Enclosure B to the Information Request:

1. The person answering the questions on behalf of TPL is:
Tily Shue, Senior Counsel
101 Montgomery Street, Suite 900
San Francisco, CA 94104
Tel. 415 800-5308 (direct)



I have been employed at TPL since December 1989. The various positions I have held at TPL are: Assistant General Counsel; Regional Counsel (Western Region); Director of Hawaiian Islands Program; Associate Regional Director (Western Region); and Senior Counsel.

2. In response to the County's request for assistance in accomplishing the conservation of the Property for the benefit of the public, TPL contracted to purchase the Property from TDY Industries, Inc. ("Teledyne") and, subsequently, contracted to sell the Property to the County. The County desired to acquire the Property as mitigation for the destruction of endangered Delhi Sands fly habitat that would result from the construction of the Galena Street & Interstate 15 Interchange project. TPL did not enter into the chain of title; TPL consummated the purchase of the property from Teledyne by causing Teledyne to convey title in the Property, by direct deed, to the County.
3. In the search of our archives, we did not find a copy of The Phase I Environmental Site Assessment and Geophysical Survey dated October 31, 2000, prepared by Snyder Consulting (the "Phase 1 Report"). We have made various attempts to locate Michael Snyder, principal of Snyder Consulting, with the intent of seeking a copy of this Phase 1 Report from his archives. Our efforts have not been successful: no one answered at the firm's business telephone number (listed on the firm's letterhead in our files); none of the current project managers on TPL's Southern California project team has done business with Snyder Consulting in recent years and so could not provide current contact information; a Google search did not yield any current information about the whereabouts of the firm or its principal. It appears that Snyder Consulting is no longer in business, and Mr. Snyder is very likely retired.

In our files, we did find a copy of "Letter Report of Results, Supplemental Investigation, Teledyne Land, Glen Avon, California" dated February 26, 2001, prepared by Snyder Consulting, and it is enclosed (item no. 9, Exhibit A) ("Supplemental Investigation").

The Agreement of Purchase and Sale dated May 1, 2000, between TPL and Teledyne, is enclosed (item no. 10, Exhibit A).

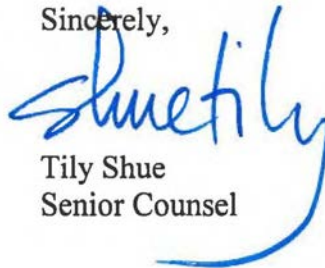
4. TPL did not enter into the chain of title and, thus, did not hold title for any length of time. Nor did TPL ever occupy or take physical possession of the Property. Upon close of escrow of TPL's purchase of the Property, Teledyne (as seller to TPL) deeded the property directly to the County (as buyer from TPL), for the concurrent close of escrow of the County's purchase of the Property from TPL.

5. As set forth on the face of the 2001 grant deed, the Property is expressly deed restricted to the following use: as a natural habitat for endangered species and wildlife preservation only. As far as we know, the County has set aside a portion of the Property for endangered species habitat protection, and the remainder is currently used as open space for passive recreation, such as biking and hiking trails. We do not have a scaled map of the Property indicating the present uses by the County.
6. To TPL's knowledge, at the time of our acquisition of the Property, TDY Industries, Inc. (and/or its affiliates) were the operators, occupants and owners of the Property. To my recollection, there were no other operators, occupants and owners of the Property preceding Teledyne that was of particular noteworthiness to us.
7. To the best of my knowledge,
 - (a) apart from and to the extent indicated in the enclosed documents listed in Exhibit A, we do not have any information in our archives that would enable us to provide a detailed description of the types of operations conducted by Teledyne at the Property during its period of ownership;
 - (b) apart from and to the extent indicated in the enclosed documents listed in Exhibit A, we do not have any documentation in our possession that describes or relates to Teledyne's operations and ownership of the Property, such as "maps showing the locations of Teledyne's operations, all chemical and waste storage areas, and the areas where the testing of any rocket fuels, propellants or explosives was conducted;" and
 - (c) we do not have any information that would enable us to determine "if Teledyne operated outside of the Property."
8. Apart from and to the extent indicated in the enclosed documents listed in Exhibit A, we have no information of "whether any fuels, propellants, explosives or other substances or devices that were used by Teledyne or other former operators were stored at the Property after their operations ceased, and whether any bunkers, magazines and other storage locations remain at the Property." The investigation supplemental to the Phase 1 Report referred to in Paragraph 3 above was undertaken by TPL to verify some hearsay information about "buried munitions" on the Property (see Snyder Consulting's Letter regarding Explanation of Additional Services dated July 3, 2000 – item no. 6, Exhibit A); the conclusions of that supplemental investigation is as contained in "Letter Report of Results, Supplemental Investigation, Teledyne Land, Glen Avon, California" dated February 26, 2001, prepared by Snyder Consulting. (item no. 9, Exhibit A).

9. We have no information about any "leaks, spills or other release into the environment of any hazardous substances or pollutants or contaminants that have occurred at or from the Property". To the best of my recollection, the Phase 1 Report did not reveal any environmental hazards on the Property, except for some asbestos tiling.
10. Apart from and to the extent indicated in the enclosed documents listed in Exhibit A, we have no other information of "sampling and investigation reports for the Property that contain the laboratory or field analyses of the soil quality and water quality of the aquifers, mine water, groundwater, tailing pond discharges and receiving streams."
11. TPL has no knowledge of whether remediation activities have been conducted at the Property after 2001, and we have no documentation describing such activities. To the best of my recollection, the County was to have removed some asbestos tiling found on the Property.
12. To the best of my recollection, TPL did not know of any specific facts regarding the "potential for soil and groundwater contamination at the Property." Absent any further investigation beyond the Phase 1 Report and the Supplemental Investigation, the Environmental Indemnity Agreement was negotiated to address TPL's concerns, and to anticipate the County's concerns, about the proximity of the Property to the Stringfellow Superfund Site.

I hope that the foregoing information is helpful. Please feel free to contact me if you have further questions or require further clarification. My email address is tily.shue@tpl.org and I may also be reached at (415) 800-5308 (direct) or (415) 279-5465 (mobile).

Sincerely,



Tily Shue
Senior Counsel

EXHIBIT A

List of Documents in response to Information Request Letter Related to Stringfellow Superfund Site, dated October 4, 2012, from Kathi Moore, Manager, Case Development Cost Recovery Section, Superfund Division, US EPA Region 9

1. Brown & Mullins, Inc. Map, dated May 1990
2. Albert A. Webb Associates Conservation Site Photo Map, dated January 14, 1999
3. Snyder Consulting Proposal for Professional Services (Phase I Environmental Site Assessment), dated June 17, 1999
4. Snyder Consulting Supplemental Proposal for Professional Services (Geophysical Investigation), dated March 13, 2000
5. Work Authorization No. 6 between Snyder Consulting and The Trust for Public Land, dated May 10, 2000
6. Snyder Consulting Explanation of Additional Services (Under Authorization No. 6), dated July 3, 2000
7. Assignment of Work Authorization No. 6 between TDY Industries, Inc., and The Trust for Public Land with respect to the Geophysical Survey only, dated September 15, 2000
8. Work Authorization No. 16 between Snyder Consulting and The Trust for Public Land, dated February 26, 2001
9. Snyder Consulting Letter Report of Results (Supplemental Investigation), dated February 26, 2001
10. Agreement of Purchase and Sale by and between TDY Industries, Inc. (formerly Teledyne Industries, Inc.) and The Trust for Public Land, dated May 1, 2000.
11. US Department of the Interior, Fish and Wildlife Service Letter dated July 5, 2000 to Michael G. Ritchie, Divisional Administrator, Federal Highway Administration regarding Formal Section 7 Consultation.
12. Environmental Indemnity Agreement between TDY Industries, Inc. ("Indemnitor" or "Seller") and The Trust for Public Land ("Seller"), dated October 4, 2001



Conservation Site

Galena Street &
Interstate 15 Interchange

08-Sbd-15 KP 79.26 to 81.81



1"=400'

LEGEND

-  SITE
-  PARCELS

PHOTO DATE:
JAN. 14, 1999

ALBERT A.
WEBB
ASSOCIATES
ENGINEERING CONSULTANTS
AAW W.O. 96-0226

Conservation Site

Galena Street &
Interstate 15 Interchange

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PHOTO DATE:
JAN. 14, 1999

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ASSOCIATES
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AAW W.O. 96-0226

SNYDER CONSULTING

June 17, 1999

Mr. Jonathan Walker
The Trust for Public Land
116 New Montgomery, Suite 300
San Francisco, CA 94105

PROPOSAL FOR PROFESSIONAL SERVICES
PHASE I ENVIRONMENTAL SITE ASSESSMENT
ALLEGHENY TELEDYNE LAND
RIVERSIDE COUNTY, CALIFORNIA

Dear Mr. Walker:

Snyder Consulting is pleased to offer The Trust for Public Land (TPL) this proposal to conduct a Phase I Environmental Site Assessment (ESA) of three parcels of land collectively called the Allegheny Teledyne Land, located in Riverside County, California south of Fontana along the San Bernardino County line. This proposal outlines our approach for collecting available information and conducting fieldwork to provide the basis for such an assessment in accordance with ASTM Practice E 1527 for ESAs. The ESA report will provide a discussion of recognized environmental conditions (as defined in Section 1.1 of the Practice), and, if requested, recommendations for further investigations.

BACKGROUND

Mr. Michael Snyder discussed the needs of TPL with you on June 15, 1999, regarding an ESA for the subject property. We understand that the TPL is proposing acquiring the land from Allegheny Teledyne, Inc. for the purpose of habitat preservation for the Delhia Sands Flower-Loving Fly. Prior to acquiring the subject property TPL is requesting that an ESA be performed. The site has been described to us as being comprised of three parcels totaling 185.1 acres; two of the parcels were previously the site of a munitions and armament plant until the 1970s, the third has been undeveloped. We understand that the subject property is now vacant and only the concrete slab foundations of the plant buildings remain.

SCOPE OF SERVICES

From our discussions with you, we understand that TPL wishes to proceed with a Phase I ESA of the subject property that includes the following activities:

Site Reconnaissance

A site reconnaissance will be conducted by representatives of Snyder Consulting experienced in hazardous materials surveys, who will observe surface conditions and current activities on the subject property and on adjoining properties. An inventory of potential contaminant sources on and adjoining the subject property will be completed based upon visual observations. Photographs will be taken to document conditions observed. We request that a representative from the current property owner or operator who is familiar with current and historical site usage be present at the time of our reconnaissance to answer questions and provide access to the site.

SNYDER CONSULTING

Mr. Jonathan Walker
The Trust for Public Land
June 17, 1999
Page 2

Records Review and Interviews

The purpose of the records review is to obtain information on the subject property and adjoining properties which will be useful in assessing whether current and past property usage may be potential sources of contamination. Our study area for the records review is based on the ASTM standard requirements and ranges from the subject property and adjoining properties for registered underground storage tanks (USTs) and Resource Conservation and Recovery Act (RCRA) generators; to a 1/2-mile radius for leaking USTs, landfill sites, and Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) sites; to a one-mile radius for RCRA treatment, storage and disposal facilities, and state and federal superfund sites.

Snyder Consulting proposes to contract with VISTA Information Solutions, Inc., an independent data search service, to assist with the public regulatory agency records review. Information will be collected from the following public agencies, either by personal visit, telephone call, or via VISTA's database system:

- County Tax Assessor
- Local fire department jurisdiction
- County Department of Agriculture
- County Department of Environmental Health
- California Environmental Protection Agency
- California Regional Water Quality Control Board (Santa Ana Region)
- California Integrated Waste Management Board
- U.S. Environmental Protection Agency

Historical site information will be obtained from US Geological Survey topographic maps and readily available historical aerial photographs. Aerial photography sources to be utilized may include the Riverside County Flood Control District and Continental Aerial Photo.

Public agency staff and possibly other persons having knowledge of past site and adjoining property usage may be interviewed in order to supplement information gathered from our records review.

Our records review will be limited to regulatory agency listings that cover the study area and agency case files that pertain only to the subject properties; review of agency case files for other sites or facilities within the study area can be provided as an added scope of services.

SNYDER CONSULTING

Mr. Jonathan Walker
The Trust for Public Land
June 17, 1999
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Evaluation, Analysis, and Reporting

A Phase I ESA report will be prepared addressing the findings of the tasks described above. We will provide a discussion of potential and existing contamination sources, and conclusions regarding our evaluation of the likelihood of contamination on the subject property. The report will also contain, if requested, recommendations for further investigations of areas of potential contamination. Remediation options that may be appropriate to allow TPL to proceed with acquisition plans are not within the present project scope. Three copies of the report will be issued to TPL, unless additional copies are requested.

CLIENT'S RESPONSIBILITIES

It is the responsibility of TPL to provide information that will help identify the possibility of recognized environmental conditions in connection with the property. This effort does not require technical expertise of an environmental professional and generally consists of the following:

- Checking title records for environmental liens recorded against the property.
- Communicating to Snyder Consulting specialized knowledge or experience pertaining to the use of the subject property. Such communication should take place before Snyder Consulting conducts the site reconnaissance.
- Explaining significantly lower purchase price. If TPL has actual knowledge the purchase price of the property is significantly less than the purchase price of comparable properties, then TPL should try to identify why this is so and make this information available to Snyder Consulting.

SCHEDULE

We can begin the ESA immediately upon receipt of maps delineating the boundaries of the parcels to be assessed and your authorization to proceed. We estimate the duration of the investigation to complete the above mentioned scope of services will be approximately three weeks. Oral results will be available within ten business days; the written report will follow in approximately one week.

COST ESTIMATE

We will complete the scope of services described above for a fixed fee of \$3800. Our work will be performed in accordance with the terms and conditions of the existing Consulting Agreement for Environmental Services between Snyder Consulting and TPL and the terms of Work Authorization #6 (yet to be issued by TPL).

SNYDER CONSULTING

Mr. Jonathan Walker
The Trust for Public Land
June 17, 1999
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LIMITATIONS

It would be extremely expensive, and perhaps not possible, to conduct an investigation which would ensure the detection of materials at the subject property which now are, or in the future might be, considered hazardous. It is possible that the proposed investigation may fail to reveal the presence of hazardous materials. Our failure to discover hazardous materials through a reasonable and mutually agreed upon limited scope of work does not guarantee that hazardous materials do not exist at the subject property. Similarly, a property which in fact is unaffected by hazardous materials at the time of our assessment may later, due to natural phenomena or human intervention, become contaminated.

This document and the information contained herein have been prepared solely for the use of TPL. This material is to be regarded as strictly confidential to Snyder Consulting and TPL.

We appreciate the opportunity of offering this proposal, and we look forward to working with you on this assignment. If you have any questions, please give us a call.

Very truly yours,

SNYDER CONSULTING



Michael K. Snyder
Principal

SNYDER CONSULTING

March 13, 2000

Mr. Jonathan Walker
The Trust for Public Land
116 New Montgomery, Suite 300
San Francisco, CA 94105

SUPPLEMENTAL PROPOSAL FOR PROFESSIONAL SERVICES GEOPHYSICAL INVESTIGATION ALLEGHENY TELEDYNE LAND RIVERSIDE COUNTY, CALIFORNIA

Dear Mr. Walker:

Snyder Consulting is pleased to offer The Trust for Public Land (TPL) this supplemental proposal to our original Phase I Environmental Site Assessment (ESA) proposal of June 17, 1999. The purpose of this supplement is to present the scope of work to conduct a geophysical investigation of the three parcels of land collectively called the Allegheny Teledyne Land, located in Riverside County, California south of Fontana along the San Bernardino County line.

BACKGROUND

The subject site was the location of a munitions and armament plant in the 1960s and early 1970s. In gathering information in preparation for initiating the Phase I ESA, Mr. Michael Snyder recently discussed with you that he had collected information during interviews with persons familiar with the subject site that revealed the possibility that buried materials (possibly ordnance) may be present on the site. The materials were reportedly buried in the vicinity of existing foundations at the time the facility was closed in the early 1970s. We understand that the TPL is interested in assessing, through non-intrusive means, whether there are buried materials present on the property, and are therefore proposing to conduct a geophysical investigation of approximately 12.5 acres of the property (with roads and building foundations to excluded from the search).

SCOPE OF SERVICES

We propose to employ the services of Sub Surface Surveys (SSS) to conduct the geophysical investigation. The survey will include the application of the Electromagnetic Induction (EM) technique, utilizing Geonics model EM-61 instrumentation. EM-61 data will be collected on a formal rectilinear grid established over the area of investigation and tied to fixed cultural features. EM-61 readings will be recorded over the grid at stations every 0.6 feet along survey lines spaced approximately ten feet apart. A Geonics model EM-31, a magnetometer and a magnetic gradiometer will also be brought to the field, and used to further detail anomalous zones detected with the EM-61 instrumentation.

All field data observations will be indicated on a scaled site plan. These data will constitute the principal basis for the interpretation. The report from SSS will cover methodology and present data and findings, and will be incorporated into the final Phase I ESA report issued by Snyder Consulting.

SNYDER CONSULTING

Mr. Jonathan Walker
The Trust for Public Land
March 13, 2000
Page 2

SCHEDULE

We can begin the geophysical investigation immediately following completion of the ESA site reconnaissance. We estimate the duration of the field work portion of the survey will require up to five days to complete, and preparation of the report of survey results could require an additional ten business days. Oral results of the survey should be available within two business days following completion of the fieldwork. The final ESA report will be issued four weeks following the date of your authorization to proceed with the Phase I ESA.

COST ESTIMATE

For cost estimating purposes, we have assumed a maximum of five field days to complete the geophysical survey, and will therefore complete the scope of services described above for a cost not to exceed \$14,000. Our work will be performed in accordance with the terms and conditions of the existing Consulting Agreement for Environmental Services between Snyder Consulting and TPL and the terms of Work Authorization #6 (yet to be issued by TPL).

We appreciate the opportunity of offering this supplemental proposal, and we look forward to working with you on this assignment. If you have any questions, please give us a call.

Very truly yours,

SNYDER CONSULTING



Michael K. Snyder
Principal

WORK AUTHORIZATION NO. 6

Level I Environmental Assessment Scope of Services

Subject: Work Authorization No. 6
Environmental Consulting Services
Phase I Preliminary Environmental Assessment for
Teledyne Property, Riverside County, California
(Unless otherwise specified, the property shall be referred to hereinafter in this Work Authorization as the "Site".)

PROPOSED SCOPE OF WORK

The requested environmental consulting services regarding the Site will be provided in accordance with the specific tasks discussed below. This Work Authorization shall serve as an amendment to the Consulting Agreement for Environmental Services between Snyder Consulting ("Consultant") and The Trust for Public Land ("Client"), dated July 23, 1997, (the "Agreement") and shall be subject to all terms and conditions thereof. The services and reports required hereunder shall be preformed and prepared in accordance with the American Society for Testing and Materials (ASTM) Standard practice for Environmental Site Assessments (1527-94)

STAGE I

TASK A: RESEARCH RECORDS AND GATHER AVAILABLE DATA

1. Responsibilities of Consultant

(a) Review and evaluate documents pertaining to the Site, including, but not limited to past and present property owners and/or past or present tenants, facility operation plans, chain-of-title documents, building and site plans, tenant improvement drawings, specifications, soils and boring reports, building and occupancy permits, and architects and engineers certification of compliance.

(b) Review all chain-of-title documents regarding the Site, including all recorded deeds, easements, environmental liens, leases, restrictions, and covenants in the chain-of-title report provided by

Client.

(c) Secure, review and evaluate all reasonably obtainable Federal, State and local government records and/or published lists, including, but not limited to those records and lists of the United States Environmental Protection Agency, United States Bureau of Land Management, United States Forest Service, California Protection Agency, Californian Integrated Waste Management Board, California Department of Health Services, California Water Resources Control Board, Regional Water Quality Control Board, California Department of Health Services, California Water Resources Control Board, Regional Water Quality Control Board, California Office of Emergency Services, city and county fire, health, public works departments, which records and lists shall indicate those sites or facilities where a release of materials and/or substances subject to environmental regulation ("Regulated Materials") has occurred, and where such a release is likely to cause or contribute to a release of Regulated Materials on the Site.

(d) Secure and review all reasonably obtainable Federal, State and local government records and/or published lists, including, but not limited to those records and lists of the government agencies which are referenced in Task A 1(b) above, which records and lists shall indicate activities or uses likely to cause or contribute to a release of Regulated Materials on the Site. The records and lists pertaining to such activities or uses shall include but not be limited to landfill and other disposal location records, underground storage tank records, hazardous waste handler and generator records and spill reporting records.

(e) Review and evaluate the technical adequacy and sufficiency of corrective actions that may have been taken, as documented in government agency files, to remedy the situation giving rise to any recorded environmental liens against the Site which may have arisen pursuant to Federal, State or local laws or ordinances.

(f) Evaluate whether the current tenants of the Site, if any, are regulated under the Resources Conservation and Recovery Act (RCRA) as generators of, or the owners

or operators of, treatment or storage facilities for hazardous waste.

(g) Contact tenants, tenants' knowledgeable employees, Owner's knowledgeable employees, if any, and the Owner to evaluate the nature and extent of current and past activities on or uses of the Site and sites and facilities in the vicinity of the Site. If Consultant is unable to contact tenants, tenants' knowledgeable employees, Owner's knowledgeable employees and/or Site Owner due to their protracted unavailability or for any other reason, Consultant shall contact Client for further direction.

(h) Consultant's review and evaluation of the records, published lists and information obtained pursuant to Tasks 1 (a) through (f) above, shall be for the purposes of determining the following: (i) whether current or past activities on or uses of the Site involved Regulated Materials and which activities or uses may have led or may lead to potentially adverse impacts to the environment; (ii) whether a release of Regulated Materials has occurred at or on the Site, or at or on any other sites or facilities in the vicinity of the Site, where such a release is likely to cause or contribute to a release of Regulated Materials on the Site; and (iii) whether any activities or uses within the vicinity of the Site are likely to cause or contribute to a release of Regulated Materials on the Site.

(i) Consultant may consider and rely upon, in part, any prior assessments of the Site, including chemical analyses and identified data gathering as such material is represented by others.

2. Responsibilities of Client

(a) Arrange for Consultant's access to the Site and attempt to secure Owner's permission for the review of Owner's files in order to secure information and documents necessary to Consultant's work.

(b) Provide any other pertinent information, including Owner's contacts, tenant lists and contacts, environmental documents and reports, maps, and site plans which may have been obtained by Client as a result of Client's ordinary course of investigating and

negotiating for its potential acquisition of the Site.

(c) Provide a title search regarding the Site, including all recorded deeds, easements, environmental liens, leases, restrictions, and covenants in the chain of title back for a period of not less than fifty (50) years.

TASK B: AERIAL PHOTOGRAPHS

1. Responsibilities of Consultant

(a) Secure and review at least two (2) selected and reasonably obtainable historical aerial photographs through State or local government agencies, and, if available, through commercial aerial photography firms.

If fewer than two (2) aerial photographs are obtainable at a reasonable cost, Consultant will inform Client of the unavailability of aerial photographs. These photographs will be used to characterize historical land use patterns at and near the Site. Any obvious indications of sumps, pits, above-ground tanks, ground disturbances, or waste disposal activities on the Site shall be noted. Suspected facilities, if any, which are revealed through the aerial photographs shall also be noted with approximate dates of operation.

TASK C: SITE VISIT

1. Responsibilities of Consultant

(a) Owner has represented to Client that the Site has been used as a manufacturing facility for munitions and light armament and that no mitigation effort has been made and that no remedial action has been taken with respect to the environmental condition of the Site. Owner has acknowledged that subsurface contamination exists and there might be other hazardous substances and/or conditions by reason of the prior uses of the Site. Accordingly, Client and Owner have agreed:

The Phase I Assessment shall include only non-invasive inspections, tests and investigations;

Any invasive (e.g., soil sampling) inspection, test or investigation will require Owner's prior approval; and

Owner desires to have its representative present during any and all Site visits and Client must give Owner at least forty-eight (48) hours prior notice of any proposed Site visit.

Consultant acknowledges the above and agrees to perform its services in compliance with the agreements described.

(b) A site visit, including inspection of facilities and improvements on the Site, shall be conducted to visually assess the current environmental condition of the Site. The Site will be checked for visible evidence of underground tanks, surface spills, debris dumping, soil staining, drum storage, waste storage in piles or impoundments, pipe lines and/or types of land filled materials which may signal potential sources of adverse environmental impacts. The site visit shall also include an investigation of current chemical use, storage, treatment and disposal practices on the Site. Observable violations of applicable environmental regulations shall be noted.

(c) View the contiguous properties, and operating facilities, if present, from the Site and from public right-of-ways. Evaluate whether potential sources of Regulated Materials exist on such properties which could lead to adverse environmental impacts to the Site.

(d) Identify specific areas where, based upon the above task and subtasks, testing and/or subsurface investigations are required or recommended.

(e) Consultant will not perform a specific survey and analysis for asbestos-containing materials on the Site structures, if any, but will assist in arranging for such surveying and analysis if requested by Client. Consultant shall advise Client as to whether or not any such survey and analysis is recommended, based on Consultant's knowledge and/or observations.

2. Responsibilities of Client

(a) Arrange for access to Site.

(b) Secure permission for Consultant's interviews with persons knowledgeable about the Site, including tenants, tenants' knowledgeable employees, Owner's knowledgeable employees, if any, and the Owner.

TASK D: . ORAL REPORT

1. Responsibilities of Consultant

(a) Following familiarization with the records, lists, reviews of available aerial photographs, the site visit, and discussions with persons knowledgeable of the Site, a summary of key issues and observations will be provided by Consultant to Client in the form of an oral report ("Oral Report").

TASK E: WRITTEN REPORTS

1. Responsibilities of Consultant

(a) Based upon information gained in Tasks A through D, the Consultant will prepare and deliver to Client an unbound draft report ("Draft Report") for the Site which summarizes the findings of the environmental site investigation. Following Consultant's receipt of Client's comments, Consultant shall prepare and deliver to Client a written final report ("Final Report") for the Site which summarizes the findings of the environmental site investigation. **The Reports are Confidential Information as defined in the Consulting Agreement for Environmental Services and the Consultant will not disclose the Reports or results thereof to any person other than the Client unless the disclosure of such information is required by law.** The Reports will include but not be limited to the following information:

(i) List known or suspected past and current uses of the Site, including any known or suspected activity conducted in connection with such uses that gives Consultant a reasonable suspicion that the Site may not meet current environmental regulations.

(ii) Identify areas of insufficient information regarding the Site.

(iii) Identify areas of the Site which show a probability of having been contaminated by past or current activities.

(iv) Identify whether there is an adjacent source which may potentially impact the quality of ground water underlying the Site.

(v) Prepare a list of the surrounding properties which are used in a manner that may cause damage to the environment.

(vi) Summarize the results of researching, reviewing and evaluating title documents, aerial photographs, records, lists, files and other information obtained or received pertaining to the Site.

(vii) Recommend areas for further testing and/or subsurface investigations, if warranted. Such recommendations will include a statement of the testing or investigation objectives.

(b) Three (3) copies of the Final Report will be furnished to Client.

2. Responsibilities of Client

(a) Review and provide comments to Consultant on Draft Report.

Project Schedule

Consultant visited the Site on May 2nd and May 4th, 2000 pursuant to Task C and has delivered to Client a preliminary Oral Report referenced in Task D 1(a), subject to any further information which may be gained through currently ongoing interviews as described in Task C 2(b). Consultant shall prepare and deliver to Client the Draft Report referenced in Task E 1(a) within two (2) weeks after completion of the Stage II scope of work described in the attached Exhibit A, but in no event later than June 9, 2000. Time is of the essence in the performance of the Services outlined in this Work Authorization. Therefore, Client shall not pay for Consultant's Services if Consultant does not deliver the Draft Report on or before June 9, 2000. Client shall

review and deliver its comments on the Draft Report to Consultant within one (1) week of Client's receipt of said Draft Report, provided that Client may extend its period to comment by so notifying Consultant. Consultant shall complete and deliver to Client the Final Report referenced in Task E 1(a) within one (1) week of Consultant's receipt of Client's comments.

Fee for Services

Consultant's fees for Services identified in this Work Authorization shall not exceed a total of Four Thousand Three Hundred Dollars (\$4,300.00).

Extra Services

Consultant will also perform extra services (services not specified under this Work Authorization), provided that Consultant and Client agree on the scope of and fee for such extra services in a subsequent Work Authorization.

STAGE II

Geophysical Investigation

Stage II shall consist of a geophysical survey as described in Exhibit A attached hereto and incorporated herein. However, Consultant shall not commence Stage II until Consultant obtains prior authorization from Client to proceed with Stage II.

CLIENT:

THE TRUST FOR PUBLIC LAND

BY:

Title: Senior Vice President and
General Counsel

Date: May 9, 2000

BAK

CONSULTANT:

SNYDER CONSULTING

By:

Michael K. Snyder
Michael K. Snyder
Principal

Date: May 10, 2000

EXHIBIT A

SCOPE OF WORK FOR GEOPHYSICAL INVESTIGATION

[See Attached Letter dated March 13, 2000]

SNYDER CONSULTING

March 13, 2000

Mr. Jonathan Walker
The Trust for Public Land
116 New Montgomery, Suite 300
San Francisco, CA 94105

**SUPPLEMENTAL PROPOSAL FOR PROFESSIONAL SERVICES
GEOPHYSICAL INVESTIGATION
ALLEGHENY TELEDYNE LAND
RIVERSIDE COUNTY, CALIFORNIA**

Dear Mr. Walker:

Snyder Consulting is pleased to offer The Trust for Public Land (TPL) this supplemental proposal to our original Phase I Environmental Site Assessment (ESA) proposal of June 17, 1999. The purpose of this supplement is to present the scope of work to conduct a geophysical investigation of the three parcels of land collectively called the Allegheny Teledyne Land, located in Riverside County, California south of Fontana along the San Bernardino County line.

BACKGROUND

The subject site was the location of a munitions and armament plant in the 1960s and early 1970s. In gathering information in preparation for initiating the Phase I ESA, Mr. Michael Snyder recently discussed with you that he had collected information during interviews with persons familiar with the subject site that revealed the possibility that buried materials (possibly ordnance) may be present on the site. The materials were reportedly buried in the vicinity of existing foundations at the time the facility was closed in the early 1970s. We understand that the TPL is interested in assessing, through non-intrusive means, whether there are buried materials present on the property, and are therefore proposing to conduct a geophysical investigation of approximately 12.5 acres of the property (with roads and building foundations to excluded from the search).

SCOPE OF SERVICES

We propose to employ the services of Sub Surface Surveys (SSS) to conduct the geophysical investigation. The survey will include the application of the Electromagnetic Induction (EM) technique, utilizing Geonics model EM-61 instrumentation. EM-61 data will be collected on a formal rectilinear grid established over the area of investigation and tied to fixed cultural features. EM-61 readings will be recorded over the grid at stations every 0.6 feet along survey lines spaced approximately ten feet apart. A Geonics model EM-31, a magnetometer and a magnetic gradiometer will also be brought to the field, and used to further detail anomalous zones detected with the EM-61 instrumentation.

All field data observations will be indicated on a scaled site plan. These data will constitute the principal basis for the interpretation. The report from SSS will cover methodology and present data and findings, and will be incorporated into the final Phase I ESA report issued by Snyder Consulting.

SNYDER CONSULTING

Mr. Jonathan Walker
The Trust for Public Land
March 13, 2000
Page 2

SCHEDULE

We can begin the geophysical investigation immediately following completion of the ESA site reconnaissance. We estimate the duration of the field work portion of the survey will require up to five days to complete, and preparation of the report of survey results could require an additional ten business days. Oral results of the survey should be available within two business days following completion of the fieldwork. The final ESA report will be issued four weeks following the date of your authorization to proceed with the Phase I ESA.

COST ESTIMATE

For cost estimating purposes, we have assumed a maximum of five field days to complete the geophysical survey, and will therefore complete the scope of services described above for a cost not to exceed \$14,000. Our work will be performed in accordance with the terms and conditions of the existing Consulting Agreement for Environmental Services between Snyder Consulting and TPL and the terms of Work Authorization #6 (yet to be issued by TPL).

We appreciate the opportunity of offering this supplemental proposal, and we look forward to working with you on this assignment. If you have any questions, please give us a call.

Very truly yours,

SNYDER CONSULTING



Michael K. Snyder
Principal

SNYDER CONSULTING

July 3, 2000

Ms. Trish Strickland
The Trust for Public Land
116 New Montgomery, Suite 300
San Francisco, CA 94105

EXPLANATION OF ADDITIONAL SERVICES
UNDER AUTHORIZATION #6
ALLEGHENY TELEDYNE LAND
RIVERSIDE COUNTY, CALIFORNIA

Dear Ms. Strickland:

Per your suggestion, I am submitting an invoice for additional Professional Services that were performed under Work Authorization #6 with the full knowledge and verbal approval of Jonathan Walker. These services were not anticipated by either The Trust for Public Land (TPL) or Snyder Consulting at the time the original Phase I Environmental Site Assessment cost estimate was prepared for the Allegheny Teledyne Land project on June 17, 1999.

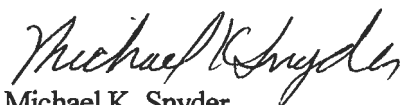
As you are aware, Teledyne has not provided much information about historical property usage, and has been very coy about the need for subsurface investigations. This coupled with the hearsay information that there might be "buried munitions" on the property and the information from the state that the nearby Stringfellow site was formerly used as a munitions test site caused Jonathan to give me permission to dig further into the property's history through the use of interviews. He also requested a proposal for a geophysics survey (submitted to TPL on March 13, 2000.) I included the cost for most of the additional historical research in the cost estimate for the geophysical survey.

As we discussed recently on the telephone, because of the delays in initiating the geophysical survey work, I am being placed in a financial bind and need to recover the labor costs for the historical research that went into the draft final ESA report submitted to TPL on May 26, 2000. Enclosed is an invoice for these costs and a detailed explanation of what they entailed. As I mentioned on the phone, the cost estimate of the geophysical investigation would be reduced by the amount of the attached invoice (\$3,000); i.e., from \$14,000 to a cost not to exceed \$11,000. I am confident that this amount is sufficient to complete the proposed geophysical survey on the property.

Please give me a call if you need further explanation of the costs on the attached invoice. Thank you for your assistance in this matter.

Very truly yours,

SNYDER CONSULTING



Michael K. Snyder
Principal

Enclosure

ASSIGNMENT OF WORK AUTHORIZATION NO. 6

This Assignment of Work Authorization No. 6, with respect to Stage II, Geophysical Investigation only (this "Assignment") is entered into as of September 15, 2000 by and between TDY, Industries, Inc., a California corporation ("TDY"), The Trust for Public Land, a California nonprofit public benefit corporation ("TPL") and Michael K. Snyder, dba Snyder Consulting ("Consultant").

RECITALS

A. On or about May 1, 2000, TDY, as Seller, and TPL, as Buyer, entered into an Agreement of Purchase and Sale (the "Purchase Agreement") pertaining to certain real property located in Riverside County, California, described as assessor's parcel numbers 172-170-001-0, 172-170-003-2 and 172-170-014-2 and consisting of approximately 185 acres (the "Property"). Under said Purchase Agreement, TDY authorized TPL to conduct certain inspections of the Property, including a Phase I Environmental Assessment (the "Phase I").

B. TPL entered into a Work Authorization No. 6 (the "Work Authorization"), with Consultant for the completion of the Phase I, which work includes a Geophysical Survey (the "Geophysical Survey") as described in Exhibit B to the Work Authorization (a letter from Snyder Consulting to Jonathan Walker dated March 13, 2000) and further referenced as Stage II in the Work Authorization. Consultant has completed the work described as Stage I in the Work Authorization. A true and correct copy of the Work Authorization is attached hereto and is incorporated herein as Exhibit A.

C. TDY and TPL have entered into a letter agreement dated September 7, 2000 (the "Letter Agreement"), by which TPL has agreed to assign and TDY has agreed to assume all of TPL's interests, liabilities, obligations, rights and benefits under the Work Authorization, with respect to the Geophysical Survey only. A true and correct copy of the Letter Agreement is attached hereto and is incorporated herein as Exhibit B.

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals, including Exhibits, are incorporated herein as though set forth in full.
2. Amendment of Purchase Agreement. The Purchase Agreement shall be modified to the extent that this Assignment and the Letter Agreement contain provisions different than and/or inconsistent with those contained in the Purchase Agreement.
3. Assignment by TPL. TPL hereby assigns all of its interests, rights, liabilities, obligations and benefits under the Work Authorization with respect to the Geophysical Survey to TDY. It is understood and agreed that this assignment includes all obligations of TPL under the Work Authorization and the Consulting Agreement for Environmental Services between TPL and Consultant dated July 23, 1997 as referenced therein, except for the Stage I work already performed and except for payment of that work by TPL.
4. Assumption by TDY. TDY hereby assumes all of TPL's interests, rights, liabilities, obligations and benefits under the Work Authorization with respect to the Geophysical Survey only and agrees to perform all obligations of "Client" as set forth in the Work Authorization with respect to the Geophysical Survey. It is understood and agreed that this assumption includes all obligations of TPL under the Work Authorization

and the Consulting Agreement for Environmental Services between TPL and Consultant dated July 23, 1997 as referenced therein, except for the Stage I work already performed and except for payment of that work by TPL.

5. Consent of Consultant. Consultant hereby consents to the aforesaid assignment and assumption and agrees to perform the Geophysical Survey in accordance with the terms of Work Authorization as modified by this Assignment.

6. Incorporation of Geophysical Survey/Reliance. In the event TDY proceeds with the consummation of the transactions contemplated under the Purchase Agreement, the results of the Geophysical Survey will be incorporated into and become a part of the Phase I. In such event, the results of the Geophysical Survey will be disclosed to TPL and the County of Riverside and will eventually become a public document. Consultant agrees that TPL and the County of Riverside may fully rely upon the terms, conditions and contents of the final Phase I written report, including the results of the Geophysical Survey, as third party beneficiaries of the Phase I, to the same extent as TDY as "Client."

7. Procedure. TDY shall proceed with the Geophysical Survey in accordance with the terms of the Letter Agreement.

8. Counterparts/Execution Via Facsimile. This Assignment may be executed in multiple counterparts and each such executed counterpart shall be deemed an original, but all of which together shall constitute a single instrument. This Assignment may also be executed via facsimile and a facsimile signature shall have the same legal effect as a signed original.

9. Headings. The subject headings of the sections of this Assignment are provided for convenience only and shall not affect the construction or interpretation of any of the provisions hereof.

10. Attorneys' Fees. The prevailing party in any dispute arising under this Assignment shall be entitled to recover reasonable attorneys' fees.

11. Notices. Written notices shall be provided in accordance with the provisions of the Purchase Agreement.

12. Governing Law. This Assignment shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and to be performed in California.

TDY:

TDY INDUSTRIES, INC., a California Corporation

By: [Signature]
 Title: Executive Vice President
 Date: 9/14/00

TPL:

THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation

By: [Signature]
 Title: Tily Shue
Regional Counsel
 Date: September 15, 2000

CONSULTANT:

MICHAEL K. SNYDER, dba SNYDER
CONSULTING

By Michael K Snyder
Title: Principal
Date: 9/13/00

EXHIBIT B
WORK AUTHORIZATION NO. 14 16
Supplemental
Level I Environmental Assessment
^ Scope of Services

MCS

Subject: Work Authorization No. 14 16
Environmental Consulting Services
Phase I Preliminary Environmental Assessment for
Teledyne Property, Riverside County, California
(Unless otherwise specified, the property shall be
referred to hereinafter in this Work Authorization as
the "Site".)

MCS

PROPOSED SCOPE OF WORK

The requested environmental consulting services regarding the Site will be provided in accordance with the specific tasks discussed below. This Work Authorization shall serve as an amendment to the Consulting Agreement for Environmental Services between Snyder Consulting ("Consultant") and The Trust for Public Land ("Client"), dated July 23, 1997, (the "Agreement") and shall be subject to all terms and conditions thereof. The services and reports required hereunder shall be preformed and prepared in accordance with the American Society for Testing and Materials (ASTM) Standard practice for Environmental Site Assessments (1527-94)

TASK A: CONDUCT GEOPHYSICAL INVESTIGATION OF BUNKER AND MAGAZINE AREAS

1. Responsibilities of Consultant. Employ the services of a subsurface surveyor to conduct a geophysical investigation of (i) the two (2) bunker sites located on the Site, including testing of the walls of each bunker area for possible open spaces behind the walls and possible buried items, and (ii) the existing magazine on the Site and an area of a formerly existing magazine on the Site, including testing of the walls for possible open spaces behind the walls and possible buried items.

2. Responsibilities of Client. Arrange for access to Site.

TASK B: LOCATION OF WELL(S)

1. Responsibilities of Consultant

(a) Investigate records of the State of California for the existence of any wells located on the Site, and coordinate such research with the County of Riverside records regarding the existence of any wells.

(b) Inspect the Site for visible evidence of any wells, and if found, document their appearance.

2. Responsibilities of Client. Arrange for access to Site.

TASK C: DOCUMENT EXISTENCE OF ASBESTOS TILING

1. Responsibilities of Consultant. Include in the Draft Report, described below, documentation of the existence of asbestos tiling on the Site and analysis of whether such materials constitutes an environmental hazard at the Site.

2. Responsibilities of Client. Arrange for access to Site.

TASK D: ORAL REPORT

1. Responsibilities of Consultant. Following familiarization with the records, the site visit, and results of the geophysical investigations described herein, a summary of key issues and observations will be provided by Consultant to Client in the form of an oral report ("Oral Report").

TASK E: WRITTEN REPORTS

1. Responsibilities of Consultant

(a) Based upon information gained in Tasks A through C, the Consultant will prepare and deliver to Client an unbound draft report ("Draft Report") for the Site which summarizes the findings of the environmental site investigation. Following Consultant's receipt of Client's comments, Consultant shall prepare and deliver to Client a written final report ("Final Report") for the Site which summarizes the findings of the environmental site investigation. **The Reports are Confidential Information as defined in the Consulting Agreement for Environmental Services and the Consultant will not disclose the Reports or results thereof to any**

person other than the Client unless the disclosure of such information is required by law. The Reports will include but not be limited to the following information:

(i) List known or suspected past and current uses of the Site, including any known or suspected activity conducted in connection with such uses that gives Consultant a reasonable suspicion that the Site may not meet current environmental regulations.

(ii) Identify areas of insufficient information regarding the Site.

(iii) Identify areas of the Site which show a probability of having been contaminated by past or current activities.

(iv) Summarize the results of researching, reviewing and evaluating records, lists, files and other information obtained or received pertaining to the Site with respect to the tasks described herein.

(vii) Recommend areas for further testing and/or subsurface investigations, if warranted. Such recommendations will include a statement of the testing or investigation objectives.

(b) Four (4) copies of the Final Report will be furnished to Client.

2. Responsibilities of Client

(a) Review and provide comments to Consultant on Draft Report.

Project Schedule

Consultant shall visit the Site on January 30, 2001 pursuant to Tasks A through C and shall deliver to Client a preliminary Oral Report referenced in Task D 1(a). Consultant shall prepare and deliver to Client the Draft Report referenced in Task E 1(a) within two (2) weeks after completion of the work described in Tasks A through C, but in no event later than February 28, 2001.

Time is of the essence in the performance of the Services outlined in this Work Authorization. Therefore, Client shall not

pay for Consultant's Services if Consultant does not deliver the Draft Report on or before February 28, 2001. Client shall review and deliver its comments on the Draft Report to Consultant within one (1) week of Client's receipt of said Draft Report, provided that Client may extend its period to comment by so notifying Consultant. Consultant shall complete and deliver to Client the Final Report referenced in Task E 1(a) within one (1) week of Consultant's receipt of Client's comments.

Fee for Services

Consultant's fees for Services identified in this Work Authorization shall not exceed a total of Three Thousand Dollars (\$3,000.00).

Extra Services

Consultant will also perform extra services (services not specified under this Work Authorization), provided that Consultant and Client agree on the scope of and fee for such extra services in a subsequent Work Authorization.

CLIENT:

THE TRUST FOR PUBLIC LAND

By: Bruce R. Kuchroff

Title: REGIONAL COUNCIL

Date: 2/23/01

CONSULTANT:

SNYDER CONSULTING

By: Michael K. Snyder
Michael K. Snyder
Principal

Date: 2/26/01

SNYDER CONSULTING

February 26, 2001

Ms. Trish Strickland
The Trust for Public Land
116 New Montgomery, Suite 300
San Francisco, CA 94105

LETTER REPORT OF RESULTS
SUPPLEMENTAL INVESTIGATION
TELEDYNE LAND
GLEN AVON, CALIFORNIA

Dear Ms. Strickland:

Snyder Consulting is pleased to present the results of the supplemental investigation conducted on the Teledyne Land located in Glen Avon, California. The work supplements the previous investigation conducted on the site by Snyder Consulting, the results of which were issued in our report titled "Phase I Environmental Site Assessment and Geophysical Survey, Teledyne Land, Glen Avon, California" dated October 31, 2000. The current work was performed in accordance with our Consulting Agreement for Environmental Services with The Trust for Public Land (TPL), dated July 23, 1997 and Work Authorization No. 16 dated February 23, 2001, as well as the terms and conditions of an Allegheny Technologies letter from Lauren S. McAndrews to Michele M. Clark of TPL, dated January 19, 2001.

GEOPHYSICAL INVESTIGATION

On January 30, 2001, Michael Snyder of Snyder Consulting and Mark Vanderlinden, Senior Industrial Hygienist with the Economic Development Agency of Riverside County observed a geophysical survey conducted on the subject site by Gary Crosby (and a helper) of Sub Surface Surveys (SSS). The purpose of the survey was to determine whether additional structures or buried materiel exist behind the bunkers and magazine (Figure 1) that remain on the site. To conduct the investigation, SSS employed ground penetrating radar (GPR) using a SIR-3 unit (Photographs 1 and 2); electromagnetic (EM) sampling using a Fisher M-Scope, model TW-6; and magnetic gradient sampling using a Schonstedt magnetic gradiometer, model GA-52C.

The geophysical investigation was conducted at five locations on the site: the lower bunker (Photographs 3 and 4), the upper bunker, the concrete magazine (Photograph 5), and two small areas excavated into the hillside (Photograph 6) and located approximately 100 feet either side of the magazine. Details of the geophysical investigation including survey design, methodology and interpretation of results are presented in a letter report from SSS included as Attachment 1. The investigation found no voids that could be possible chambers behind the bunker and magazine walls, and no hints of panels in the walls that could be doors to rear chambers. There were also no indications of buried materiel behind the walls; geophysical data appear to indicate that there is only dirt fill and boulders behind the bunkers and magazines. Investigation of the small areas excavated into the hillside also did not reveal the presence of buried materiel (there was a small ferrous anomaly in one of the areas, but it was interpreted as likely being similar to the other metal debris found during the previous geophysical investigation of the property.)

Ms. Trish Strickland
The Trust for Public Land
February 26, 2001
Page 2

WATER WELL INVESTIGATION

Mr. Snyder had previously found a permit at the Riverside County Building and Safety Department for a utility pole for a well, and Mr. Vanderlinden had previously found a well permit in the County Environmental Health Department files issued to Rheem Manufacturing in 1957 for a water well drilled by John H. Correll. Neither permit provided reference as to the location of the well, there was no well log in the County's well permit file, and the address for Mr. Correll is no longer current.

Mr. Snyder and Mr. Vanderlinden conducted a walk-over investigation looking for visible signs of an abandoned water well on the site. The investigation concentrated in the southern portion of the site in the bottom of the valley, as this is the most likely area where a supply well would be located; particular attention was paid to the vicinities around former utility poles (all poles have been cutoff a few feet above the ground). There were no indications of the presence of a water well in the area searched.

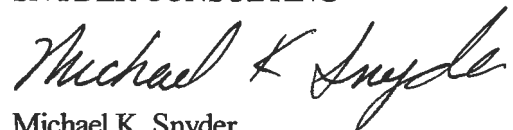
ASBESTOS CONTAINING MATERIAL

Mr. Vanderlinden pointed out to Mr. Snyder several piles of roofing material located near former building foundations and small amounts of floor tile still attached to several foundations. He said that he had recently sampled these materials and results showed the presence of asbestos in the roofing felt and the floor tile mastic. Although the asbestos in these materials is in a form that makes it unlikely that fibers would be released to the atmosphere, Mr. Vanderlinden stated that he would be recommending to the County that the materials be removed.

If you have any questions regarding this letter report, please do not hesitate to call.

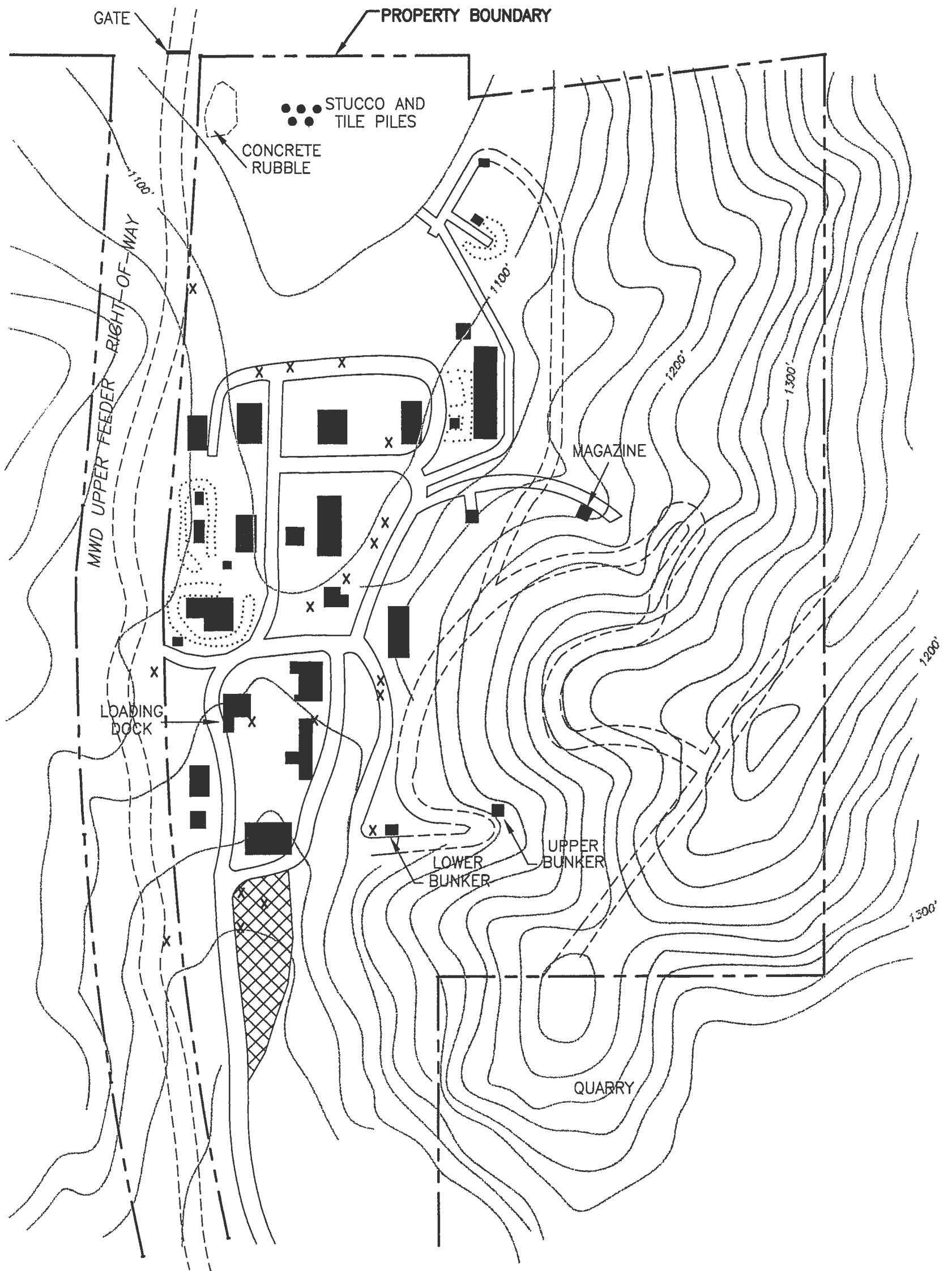
Very truly yours,

SNYDER CONSULTING

A handwritten signature in black ink that reads "Michael K. Snyder". The signature is written in a cursive, flowing style.

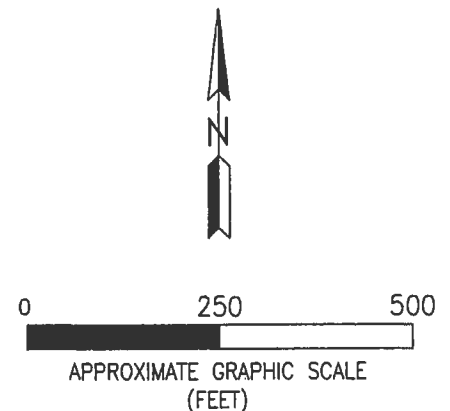
Michael K. Snyder
Principal

Attachment



LEGEND

- X CAR BODY OR PART
- DIRT ROAD
- OLD ASPHALT ROAD
- FORMER BUILDING FOUNDATION
- ... BERM
- ▨ FORMER PARKING LOT



BASE MAP: USGS 7.5 MINUTE FONTANA, CA QUADRANGLE

PARTIAL SITE PLAN WITH TOPOGRAPHY TELEDYNE LAND

FN: SITE2	DATE: 2-21-01	FIGURE NO: 1
DRAWN BY: CM	CHECKED BY: <i>AD</i>	



PHOTOGRAPH 1. VIEW OF GROUND PENETRATING RADAR (GPR)
INSTRUMENT INSIDE THE LOWER BUNKER



PHOTOGRAPH 2. VIEW OF RECORDING DEVICE FOR GROUND
PENETRATING RADAR



PHOTOGRAPH 3. VIEW OF GPR SURVEY BEING CONDUCTED ON TOP OF THE LOWER BUNKER



PHOTOGRAPH 4. VIEW OF GPR SURVEY BEING CONDUCTED ON BACK WALL OF LOWER BUNKER



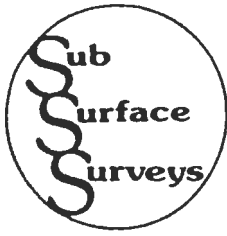
PHOTOGRAPH 5. VIEW OF GPR SURVEY BEING CONDUCTED ON TOP OF CONCRETE MAGAZINE



PHOTOGRAPH 6. VIEW OF GPR SURVEY BEING CONDUCTED ON ONE OF THE EXCAVATED AREAS NEAR THE MAGAZINE

ATTACHMENT 1

**REPORT OF GEOPHYSICAL INVESTIGATION
SUB SURFACE SURVEY**



215 So. Highway 101, Suite 203 P.O. Box 1152 Solana Beach, CA 92075
Telephone: (858) 481-8949 Facsimile: (858) 481-8998 E mail: geop@subsurfacesurveys.com

February 14, 2001

Snyder Consulting
13011 Old West Avenue
San Diego, CA 92129

Project No. 01044

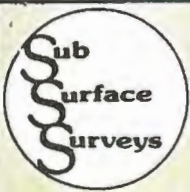
Attn: Mike Snyder **Re: Geophysical investigation of bunkers and magazines, Riverside Co.**

This brief letter report is to present the results of our geophysical surveys carried over portions of the Teledyne Trust Lands in Riverside County, California (Fig. 1) on January 30, 2001. Purpose of the surveys was to determine whether or not additional structures exist behind the bunkers and magazines that remain on the property. The existing, visible structures are built into hillsides or dirt has been piled behind the structures as a safety precaution. The surveys utilized EM, radar and magnetic gradiometer instrumentation.

Multiple methods were utilized because each instrument senses different material properties of the ground and buried objects. At any given site, the situation, geologic and cultural, may be such that one or more of the instruments may record excessive "noise", the ground may not provide sufficient contrasts with installations or discards, or there may be overlapping anomalies, and those instruments may not be definitive. Generally, however, the interpretation is based on the best reconciliation of the several data sets acquired.

Survey Design – The principal approach was to traverse the radar transducer/antenna systematically over the back walls of the structures, both horizontally and vertically, along closely spaced lines, and along closely spaced lines on the surface of the ground behind the structures. An EM device and the magnetic gradiometer were also traversed on the ground surface behind the bunkers and magazines to additionally detect possible installations behind the concrete structures. Any response from any applied instrument that had the possibility of being a reflection or detection event from a void space, was further investigated in detail with all applicable instruments. In addition to strictly geophysical approaches, all other possible indicators of hidden structure were factored into the body of information on which the interpretation was made. These "other" factors include a) observations on what ground has been disturbed and what has not, b) presence of boulders in the artificial fill, c) soil subsidence, d) possible doorways in the back wall, d) findings with a steel probe, and e) presence of cultural junk that would produce a response on the instrument's meters.

So-called Air Lift experiments were carried out to determine thickness of concrete walls. The radar antenna is placed on the wall and is slowly moved away for a distance of approximately 5 feet, keeping the antenna pointed at the same spot on the wall, then in a continuous motion the



SITE LOCATION MAP

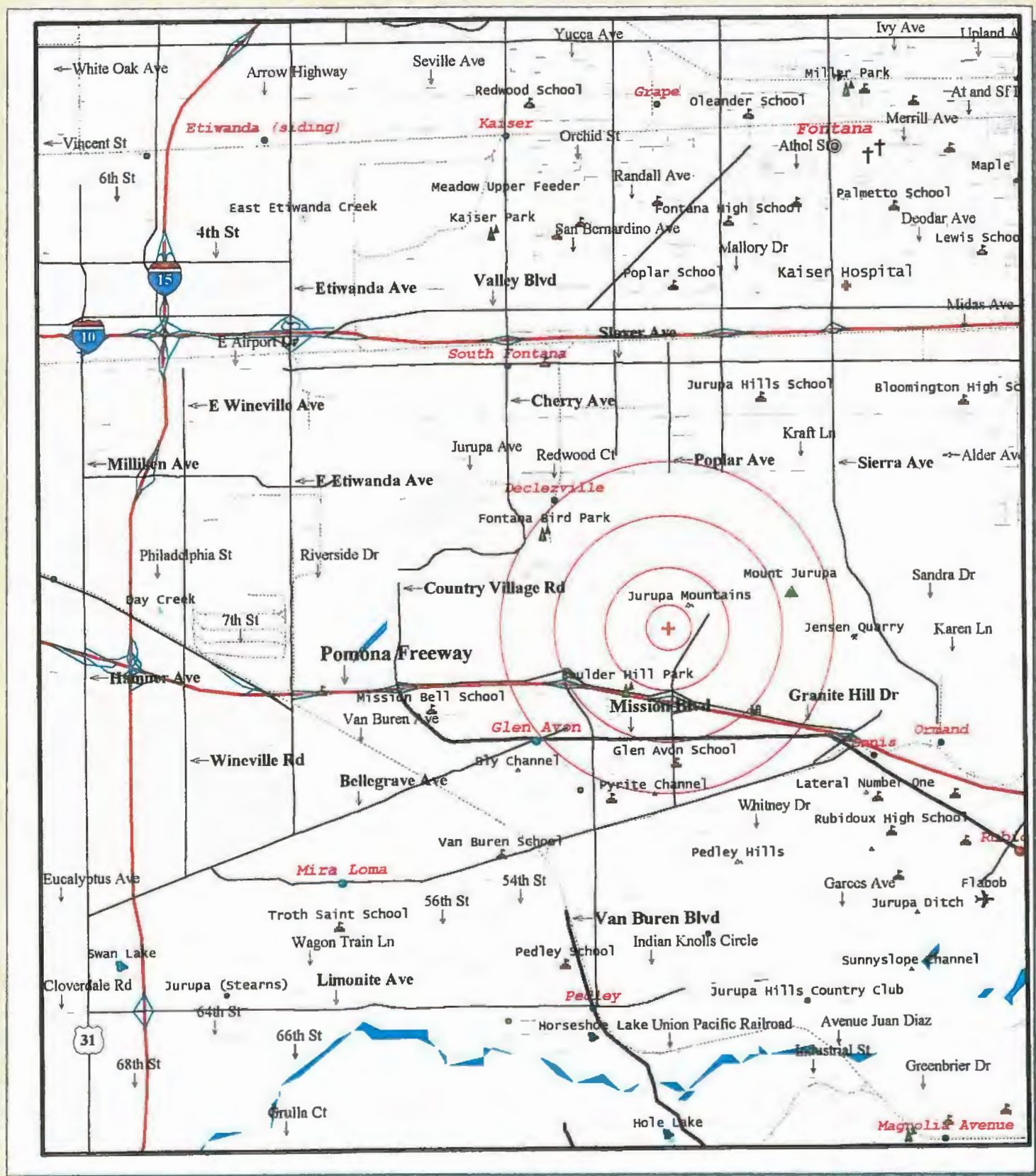


FIGURE 1

antenna is moved slowly back to the wall. In this maneuver any legitimate reflection event traces out a V-shaped pattern on the record. This pulls the reflections from the two surfaces of the concrete wall, front and back, down out of the high amplitude initial pulse and its primary reflection off the front surface, along with two or three reverberation events, so that these true reflection events are readily identified. Furthermore, the reflection that constitutes the V-shaped pattern can be traced back to its reflection when the antenna is sitting on the wall. Depending on how the radar instrument is tuned, there can be instrument noise that puts a pseudo-reflection event(s) on the record. These, if present, will naturally not show the V-shaped pattern, and thus there is discrimination between real and artificial reflection events.

Hard copy of the radar data was acquired. For the remaining instruments, discrete readings on the meters were observed and interpreted in real time. The instrument meters were monitored continuously during traverses to detect excursions of the readouts that might have meaning in terms of buried objects. The lack of hard copy for the magnetic and EM does not degrade the quality of the survey. The higher sampling rate achieved with continuous monitoring of the instruments is the better way to attempt to discriminate buried features from surface metallic objects. A Fischer M-Scope, model TW-6, was used for the EM sampling. A GSSI Ground Penetrating Radar unit, the SIR-3, produced the radar images, and the magnetic gradiometer was a Schonstedt, model GA-52C.

Brief Description of the Geophysical Methods Applied – The M-Scope instrument is a frequency-domain device for detecting buried conductive objects. It consists of a powerful transmitter that generates a pulsed primary magnetic field when its transmitter coil is energized, which induces eddy currents in nearby conductive objects. The decay of the eddy currents, following the input pulse, is measured by the receiver coil. Strength of the signal in the receiver coil is measured. A discrimination circuit separates the secondary and primary signals on the basis of a phase lag between the two. Thus, the instrument is a super-sensitive metal detector. Due to its unique coil arrangement, the response curve is a single well-defined positive peak directly over a buried conductive object. This facilitates quick and accurate location of targets.

The magnetic gradiometer has two fluxgate magnetic fixed sensors that are passed closely to and over the ground. When not in close proximity to a magnetic object, that is, only in the earth's field, the instrument emits a sound signal at a low frequency. When the instrument passes over a buried iron or steel object, so that the field is significantly different at the two sensors, and locally magnetic gradient, the frequency of the emitted sound increases. Frequency is a function of the gradient between the two sensors.

The GPR instrument beams energy into the ground from its transducer/antenna, in the form of electromagnetic waves. A portion of this energy is reflected back to the antenna at any boundary in the subsurface across which there is an electrical contrast. The recorder continuously makes a record of the reflected energy as the antenna is traversed across the ground surface. The greater the electrical contrast, the higher the amplitude of the returned energy. The EM wave travels at a velocity unique to the material properties of the ground being investigated, and when these velocities are known, or closely estimated from ground conductivity values and other information, two-way travel times can be converted to depth.

Penetration into the ground and resolution of the GPR images produced are a function of ground electrical conductivity and dielectric constant. Images tend to be graphic, even at considerable depth, in sandy soils, but penetration and resolution may be limited in drastically more

conductive clayey moist ground.

Interpretation - Interpretation took place in real time as the surveys progressed, and accordingly, the findings were marked on the concrete or ground in some appropriate manner. Space limitations were a constraint, but such was not prohibitive.

A typical radar record acquired in one of the horizontal traverses across the back wall of the lower bunker is illustrated (Fig. 2). These ringing (reverberation) events, as marked by the question mark, are on all of the records taken across the front (inside) of the back wall. Some are all the way across the record, and some are stronger on one side or the other. The non-reproducibility, in detail, was initially interpreted to be an event unassociated with a void behind the wall. Nevertheless, this needed further investigation. The image of rebar in the wall can be seen in the early part of the record. The rebar is probably number 4, and appears to be on 12 inch centers. When the traverse of the antenna becomes coincident with the surface projection of the rebar going in the same direction as the traverse, the reflection has greater amplitude.

An east-to-west traverse on top behind the lower bunker, passing immediately on the north side of the sink hole, shows inhomogeneous ground, in the artificial fill. But no high amplitude event that would be a candidate anomaly for a void associated with another chamber behind the one exposed (Fig. 3) is seen in the record. Another record acquired on top immediately behind the bunker exhibits a hyperbolic reflection event on the east side of the record, almost beyond the side of the bunker (Fig. 4). Detailed imaging on all sides of this anomaly, appears to indicate that it has no lateral extent in any direction. Inasmuch as large boulders are seen in the artificial fill, it is logical that this is a boulder.

Air Lift experiments were carried out off the front of the back wall inside the bunker (e.g. Fig. 5). The V-shaped pattern of the true reflection events are well expressed. It is equally obvious that there are events that do not show the V-shaped pattern. The settings on the controls of the instrument were such that this "instrument event" was created. The horizontal timing lines on the record are in intervals of 4 nanoseconds. And the velocity of the radar microwave in dry cured concrete is just slightly more than 5 ns per foot round trip. It is seen that the time interval between the front and rear wall reflections is about 6 ns. Consequently, thickness of the wall is slightly more than one foot.

A typical radar record acquired across the front of the back wall inside the upper bunker (e. g. Fig. 6) does not appear to show any reflection event that could be attributed to a chamber behind the exposed bunker. A south-to-north traverse from far offset behind the bunker to very near the back bunker wall shows a prominent hyperbolic reflection event (Fig. 7) on the right side of the record. The antenna passed by the immediate edge of a deep gully eroded in the fill placed behind the bunker. The reflection is a side swipe of the gully, which constitutes a void. This reflection event does illustrate, however, the prominence of a reflection to be expected in the radar imagery, if a void had been present behind the bunkers. Two large boulders are exposed in the walls of this gully. There are no other events that could logically be construed as a chamber behind the wall of the upper bunker. One of the air lift records for the upper bunker again shows that the thickness of the wall is slightly more than one foot (Fig. 8). Unlike the record at the lower bunker, no "instrument noise event" is seen on this air lift record. It appears highly likely that the higher amplitude reflections that appear to be behind the back wall of the lower bunker is nothing more than this "instrument noise event" with reverberations.

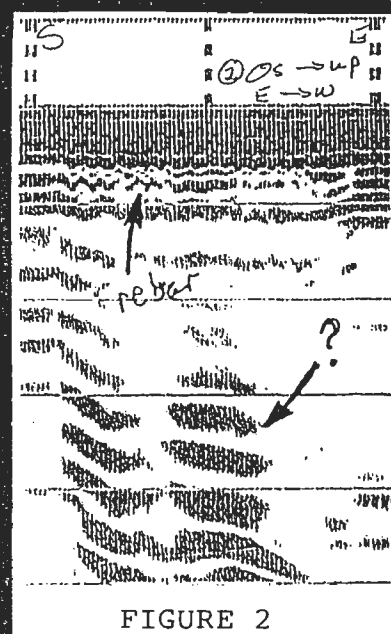


FIGURE 2

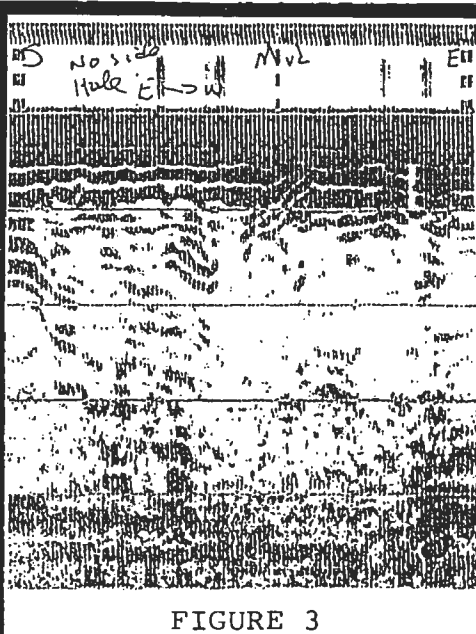


FIGURE 3

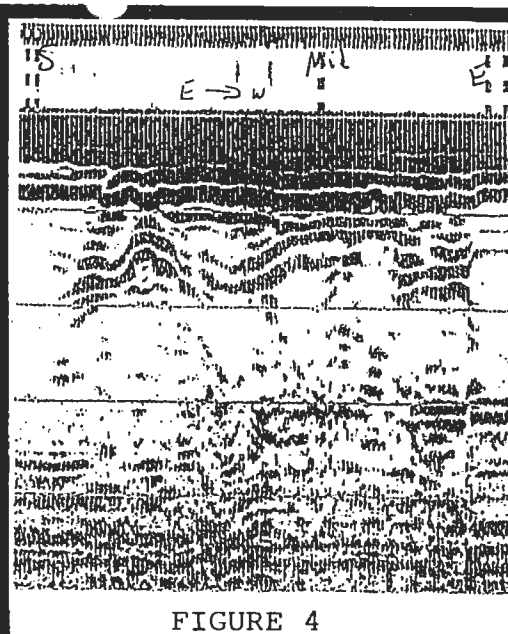


FIGURE 4

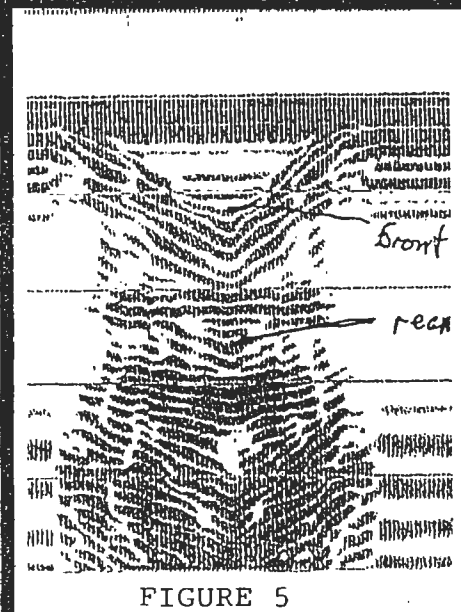


FIGURE 5

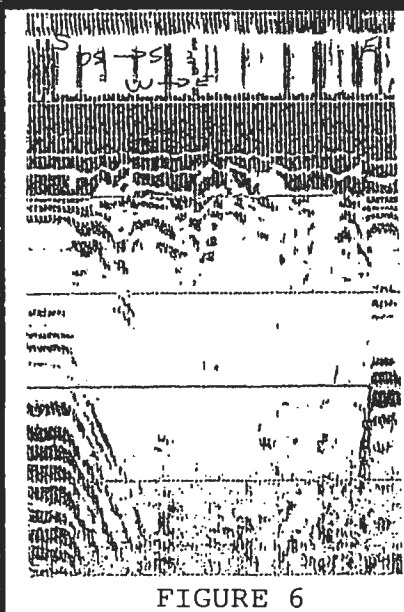


FIGURE 6

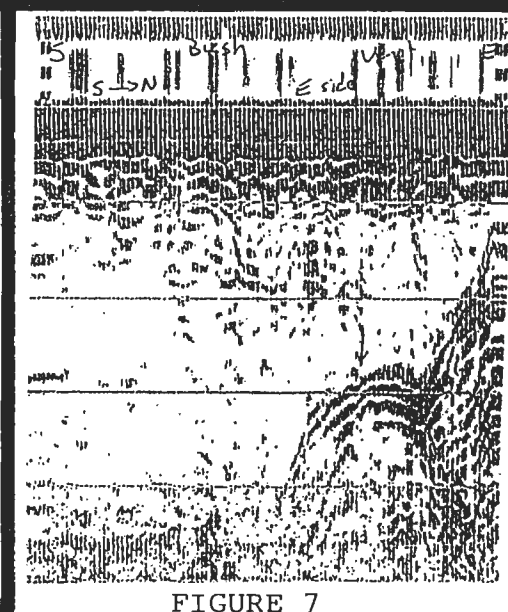


FIGURE 7

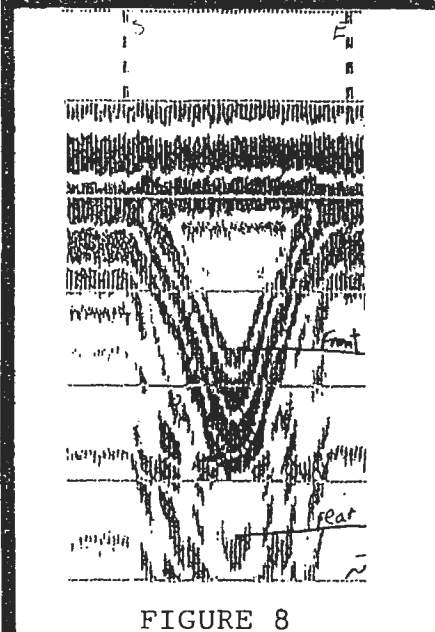


FIGURE 8

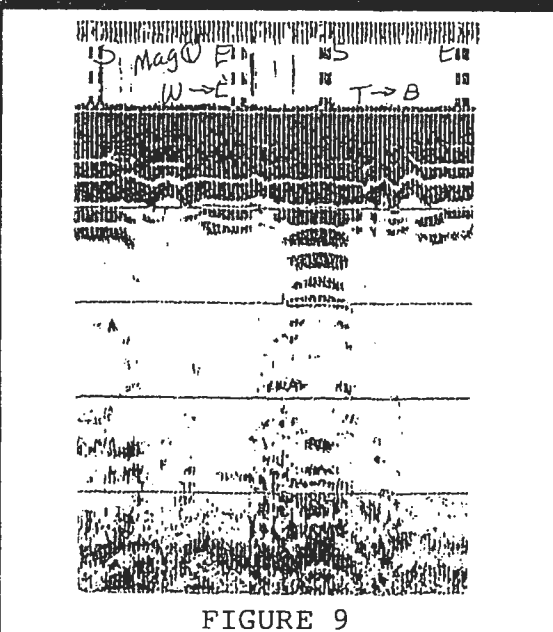


FIGURE 9

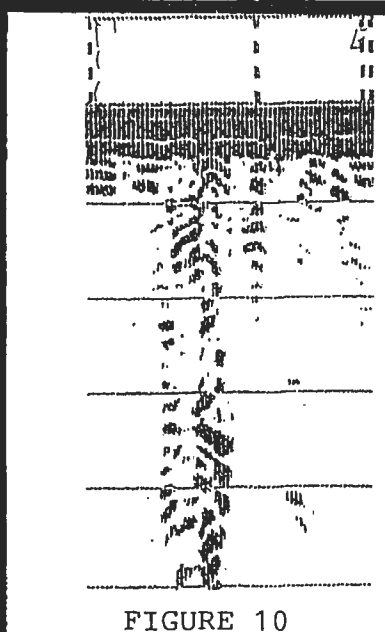


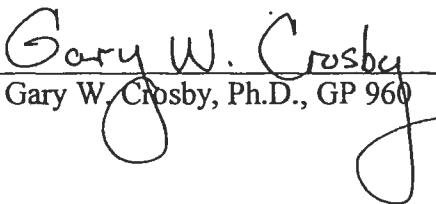
FIGURE 10

It seemed clear (to us) that the boundary between the cut to prepare the site for the construction of the magazine, farther north, and undisturbed ground behind the structure was very near, slightly more than one foot, to the back wall of the magazine. Two records (Fig. 9) acquired at the back wall inside the magazine, one a traverse horizontal and the other vertical, did not reveal any void or structure behind the wall, nor did imagery acquired on top behind the magazine reveal any cultural object.

There were two excavations in the hillside cut, at the edge of the access road to the magazine, that were of the same size and in a similar position to that where the magazine was present. It is possible, therefore, that magazines were formerly in these excavations, but have since been removed. The instruments were traversed over the ground in these excavations, but nothing was found. An apparent junk item was imaged in the westmost excavation (Fig. 10), but it did not have any extension in any direction. The object imaged is only about 10 inches deep, but we were not allowed to dig. The steel probe, however, did encounter some object at the spot at about the correct depth.

Conclusions – Extensive coverage by radar, and ancillary interpretations of other instrument signals, as well as physical observations, appear to indicate that there is dirt fill behind the bunkers and magazines. No voids that could be possible chambers behind the back walls were detected. The geophysical data shows no hints of panels in the walls that could be doors to rear chambers. The walls, where measured, appear to be slightly more than one foot thick.

All data generated on this project are in confidential file in this office, and are available for review by authorized persons at any time. The opportunity to participate in this investigation is very much appreciated. Please call, if there are questions.


Gary W. Crosby, Ph.D., GP 960

GWC:arr

AGREEMENT OF PURCHASE AND SALE

This is an Agreement, dated May 1, 2000 (the "Agreement") between TDY INDUSTRIES, INC., A California corporation, formerly known as TELEDYNE INDUSTRIES, INC., a California corporation ("Seller") and THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation ("Buyer").

RECITALS**A. The addresses and telephone numbers of the parties are:****SELLER:**

TDY Industries, Inc.
1025 West 190th Street, Suite 425
Gardena, CA 90248-4318
Att.: Corporate Real Estate Director
Tel: (310) 354-2662
Fax: (310) 354-2664

BUYER:

The Trust for Public Land
Western Regional Office
116 New Montgomery Street
Third Floor
San Francisco, CA 94105
Att.: Tily Shue, Esq.
Tel: (415) 495-5660
Fax: (415) 495-0541

Copies of any notice to Seller should also be sent to:

Jon D. Walton
Senior Vice President, General
Counsel and Secretary
Allegheny Technologies Incorporated
1000 Six PPG Place
Pittsburgh, PA 15222
Tel: (412) 394-2836
Fax: (412) 394-3010

Copies of any notice to Buyer should also be sent to:

The Trust for Public Land
Western Regional Office
116 New Montgomery Street
Third Floor
San Francisco, CA 94105
Att.: Jonathan Walker
Tel: (415) 495-5660
Fax: (415) 495-0541

B. Seller is the owner of certain real property, located in Riverside County, California, described in Exhibit A attached to this Agreement. That real property, together with all improvements, fixtures, timber, water, oil, gas and minerals located in and on it, and all rights appurtenant to it, including but not limited to timber rights, water rights, grazing rights, access rights and oil, gas and mineral rights, will be referred to in this Agreement as the "Property." The Property is approximately 185 acres and is designated as assessor parcel numbers 173-170-001-0, 173-170-003-2 and 173-170-014-2.

C. The parties intend that by this purchase and sale the Property will be preserved and used eventually for habitat conservation land with limited public access. However, Buyer makes no representation that its efforts to secure eventual acquisition of the Property by the County of Riverside will succeed.

D. Seller acknowledges that Buyer is entering into this Agreement in its own right and that Buyer is not an agent of any governmental agency or entity.

E. Buyer is a conservation organization having among its purposes the acquisition on behalf of the public of open space, scenic and recreational lands. Buyer is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is included in the "Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code" published by the Internal Revenue Service. Buyer is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

F. If Seller intends that the difference between the purchase price and fair market value will be a charitable contribution to Buyer, Seller will obtain independent tax counsel and be solely responsible for compliance with the gift value substantiation requirements of the Internal Revenue Code. Seller acknowledges that Buyer makes no representation as to the tax consequences of this transaction.

THE PARTIES AGREE AS FOLLOWS:

1. Effective Date and Term. This Agreement will be effective as of the date this Agreement is fully signed by the parties (the "Effective Date").

2. Purchase Terms.

2.1 Price. Seller agrees to sell the Property to Buyer for a purchase price of Four Hundred Thousand Dollars (\$400,000) (the "Purchase Price").

2.2 Appraisal. Buyer has contracted with Lance Doré, M.A.I. for a full narrative written appraisal ("Appraisal") of the fair market value ("FMV") of the Property taking into consideration that one of the highest and best use of the Property is habitat mitigation land due to the restrictive covenant which will be placed on the Property at the close of escrow more particularly described in Section 3.3. It is a condition to Buyer's obligations under this Agreement that the Appraisal be approved by the County of Riverside, the public agency to which Buyer intends to convey the Property (the "County").

2.3 Deposit. Within ten (10) days of the Buyer's receipt of a fully executed copy of this Agreement, Buyer shall deposit into an interest bearing, federally insured account with the Escrow Holder (as defined in Section 4.1 below) the sum of Ten Thousand Dollars (\$10,000.00) (the "Deposit"). All interest earned on the Deposit

will be credited toward the Purchase Price of the Property at close of escrow. Except as provided in Section 2.4 below or elsewhere herein, the Deposit shall be non-refundable.

2.4 Return of Deposit. The Deposit shall be returned to Buyer if:

(a) the sale of the Property is not completed because of Seller's failure, refusal or inability to perform any of Seller's material obligations under this Agreement;

(b) Buyer chooses to terminate this Agreement because any of Seller's representations cease to be true, or any of Seller's warranties or promises are breached (as provided in Section 8);

(c) Buyer chooses to terminate this Agreement because of condemnation of or damage to the Property (as stated in Sections 3.7 and 6.5);

(d) Buyer chooses to terminate this Agreement because Seller and Buyer have been unable to agree on the terms of the restrictive covenant described in Section 3.3;

(e) Buyer chooses to terminate this Agreement because Seller and Buyer have been unable to agree on the terms of the indemnity agreement described in Section 6.6;

(f) Buyer chooses to terminate this Agreement because Buyer's conditions precedent to closing are not satisfied (as provided in Section 2.6); or

(g) Buyer chooses to terminate this Agreement because Seller did not approve the scope of services for Buyer's proposed Phase II Assessment as provided in Section 6.2.

2.5 Method of Payment. The Purchase Price will be payable in cash on close of escrow after crediting the Deposit paid, as stated in Section 2.3.

2.6 Conditions Precedent to Close of Escrow. Buyer's obligation to consummate the transaction contemplated herein shall be contingent upon the occurrence or satisfaction of the following:

(a) Buyer's receipt of the approval of the transaction which is the subject of this Agreement by the Executive Committee of the Board of Directors of Buyer and authorization to acquire the Property, which authorization is subject to said Committee's sole discretion, and all of the conditions to which said approval is subject have been satisfied or waived.

(b) Buyer's approval of all due diligence matters, including, but not limited to: (i) title matters described in Section 3.2; (ii) the physical and environmental condition of the Property; (iii) the suitability of the Property for Buyer's intended purpose as provided in Section 6.3; and (iv) all other reviews described in Section 5 and elsewhere in this Agreement.

(c) The County's: (i) acceptance of the condition of the title of the Property; (ii) review and approval of all reports and studies respecting the environmental condition of the Property; (iii) determination that the Property is suitable for its intended use; (iv) review and approval of the Appraisal; (v) the execution of a written purchase agreement for the Property between Buyer and County; (vi) the satisfaction or waiver of all conditions to the County's obligation to purchase the Property; and (vii) the County's deposit with the Escrow Holder of funds sufficient to acquire the Property from Buyer which funds will be used to pay the Purchase Price to Seller.

(d) Seller's execution of an indemnity agreement, as described in Section 6.6, in favor of Buyer and its successors and assigns, in form and substance mutually agreeable to Buyer and Seller and satisfactory to County, with respect to any and all environmental contamination of the Property existing on the date of Close of Escrow; except for releases unknown to the Seller which originated off-site and have migrated onto the Property.

(e) Buyer's and the County's review and approval of the restrictive covenant setting forth the restrictions on the use of the Property as habitat conservation land with limited public access.

(f) Buyer's determination that there is vehicular access to the Property suitable for its intended use

3. Title.

3.1 Deed. Seller will convey to Buyer or Buyer's nominee, by grant deed, marketable, record, fee simple title to the Property.

3.2 Title Exceptions. Buyer is in receipt of a preliminary title report from First American Title Insurance Company (Order No. 2141425) and has ordered copies of the vesting documents and all of the documents referred to in the title report as exceptions (collectively, the "Title Report"). Title to the Property will be conveyed free and clear of all title defects, liens, encumbrances, deeds of trust and mortgage except the following (the "Permitted Exceptions"):

(a) a lien for nondelinquent real property taxes;

(b) the standard printed exceptions on the form of title insurance policy issued pursuant to Section 3.5; and

(c) any other matters approved by Buyer in writing. On or before the end of the Due Diligence Period, Buyer will advise Seller of the exceptions to title acceptable to Buyer and all other exceptions shall be deemed unpermitted (the "Unpermitted Exceptions"), which Seller will use its best efforts to remove by the close of escrow.

If Seller is unable or unwilling to remove any Unpermitted Exceptions, Buyer may, with respect to the Property:

(a) terminate this Agreement, in which case neither party will have any further obligation and/or liability to the other;

(b) defer the closing date for a period not to exceed thirty (30) days until any Unpermitted Exceptions are removed;

(c) proceed with the purchase of the Property, and accept a policy of title insurance containing the Unpermitted Exception(s).

3.3 Restrictive Covenant. Buyer and Seller acknowledge that there might exist on or under the Property potential soil and/or groundwater contamination. Therefore, the sale of the Property is subject to Seller's, Buyer's and the County's mutual acceptance of a restrictive covenant to be placed on the Property prior to Buyer's acquisition of the Property. In the event Seller, Buyer and the County cannot agree on the terms and conditions of a restrictive covenant, Seller and Buyer shall each have the right to terminate this Agreement, upon which the Deposit shall be promptly refunded to Buyer and Seller shall reimburse Buyer the cost of the Phase I Assessment (including a chain of title report and a geophysical survey obtained in connection therewith), not to exceed a total cost of \$5,000. Except for Seller's reimbursement of the aforesaid costs to Buyer, neither party shall thereafter have any further liability or obligation to the other.

Said restrictive covenant shall prohibit future use of the Property that would affect or disturb soils, sediments, surface water or groundwater on, at or under the Property including, but not limited to, construction and demolition activities, and require the limitation and control of public access to the Property. Such restrictive covenant will not, however, preclude Buyer from conducting routine maintenance and land management activities (including the capture by barriers and manual or mechanical redistribution of surface sands) that would be conducted on the Property in managing it as public open space and habitat land. Such restrictive covenant shall run with the land and be binding upon Buyer's successors and assigns and may only be removed if Buyer, or Buyer's successors or assigns, assume in a written agreement with Seller, or Seller's successors or assigns, full liability for any and all environmental conditions of, and hazardous substances on, the Property.

3.4 Possession. Seller will deliver possession of the Property to Buyer at close of escrow, free and clear of any persons in possession of the Property.

3.5 Title Insurance. Seller will provide Buyer with an ALTA standard coverage owner's policy of title insurance in the full amount of the Purchase Price insuring that title to the Property is vested in Buyer upon close of escrow, and subject only to the Permitted Exceptions.

3.6 Seller's Promise Not to Encumber Property. Except as allowed by this Agreement or approved in advance in writing by Buyer, during the term of this Agreement, Seller promises not to:

(a) make or permit to be made, extend or permit to be extended, any leases, contracts, options or agreements affecting the Property;

(b) voluntarily cause or permit any lien, encumbrance, mortgage, deed of trust, right, restriction or easement to be placed upon or created with respect to the Property; or

(c) voluntarily cause or permit any mortgage, deed of trust or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent.

3.7 Condemnation. In the event of the taking of all or any part of the Property by eminent domain proceedings, or the commencement of such proceedings prior to closing, Buyer will have the right, at its option, to terminate this Agreement by written notice to Seller, in which case neither party shall have any further obligation and/or liability to each other, and the Deposit shall be returned to Buyer. If Buyer does not terminate the Agreement, then Buyer may either: (a) proceed to close with the Purchase Price reduced by the total of any awards or other proceeds received or to be received by Seller as a result of such proceedings, or (b) proceed to close with an assignment by Seller of all Seller's right, title and interest in and to all such awards and proceeds. Seller will promptly notify Buyer in writing of any eminent domain proceedings affecting the Property.

4. Escrow and Closing.

4.1 Escrow Holder. The Parties shall open an escrow account with First American Title Insurance Company, 345 California Street, Suite 2400, San Francisco, CA, 94104 Telephone (415) 989-1300, or such other third party as Buyer and Seller shall jointly appoint to serve as the escrow holder (the "Escrow Holder"), for the purpose of holding the Deposit and closing the purchase and sale of the Property. Escrow shall close thirty (30) days after the satisfaction of the Conditions set forth in Section 2.6 ("Close of Escrow").

4.2 Closing Costs and Prorations.

(a) Seller will pay the following closing costs:

- (i) prorated real property taxes as of the close of escrow based upon the latest tax bills;**
- (ii) half the escrow fee;**
- (iii) the documentary tax or real property transfer tax and any recording fees for the deed;**
- (iv) the premium for the ALTA standard form of title insurance coverage as stated in Section 3.5;**
- (v) all recording fees;**
- (vi) any costs of removing Unpermitted Exceptions to title; and**
- (vii) any additional taxes, penalties and interest, including compensatory or roll back taxes on the Property due and payable as a result of the conveyance to Buyer.**

(b) Buyer will pay the following closing costs:

- (i) prorated real property taxes as of the close of escrow based upon the latest tax bills; and**
- (ii) half the escrow fee.**

Other fees and charges will be allocated according to custom of Riverside County.

4.3 Supplemental Taxes. If a supplemental property tax assessment is currently due and payable, it will be paid by Seller prior to close of escrow. Seller will also be responsible for paying any supplemental property taxes which are assessed after the date of closing as a result of a sale or construction prior to the close of escrow.

5. Due Diligence Inquiry.

5.1. Due Diligence Period. Subject to Section 5.2 below, Buyer will have a due diligence period of seventy five (75) days to complete its feasibility inspections and due diligence review of the Property (including, but not limited to, the review of title described in Section 3.2 above, the review of Property Information described in Section 5.2 below, review and determination of the physical and environmental condition of the Property and whether the Property is suited for Buyer's intended use as provided in Section 6 below (the "Due Diligence Period"). The Due Diligence Period shall be increased by another sixty (60) days if the results of Buyer's Phase I Report indicate, in Buyer's sole judgment, that further environmental testing is necessary to determine the extent of Hazardous Substances on or beneath the Property and if the Seller approves of further environmental testing in accordance with Section 6.2. The Due Diligence Period shall commence on the date upon which Buyer receives the last of the following: (a) a fully executed Agreement; and (b) a Title Report evidencing Seller's ability to convey marketable and insurable title to the Property as described in Section 3.2 above.

5.2 Review of Property Information. Seller acknowledges that Buyer requested that Seller provide to Buyer copies of any and all leases, licenses, easements, deed restrictions, side letters and any other documents encumbering the Property now or that will encumber the Property in the future, whether oral or in writing and a schedule reflecting any amount set aside as prepaid rent, security deposits, etc., and any existing delinquencies in the payment of rentals or defaults of, and other terms or conditions under any lease documents; all existing soils and environmental reports, all existing engineering reports and surveys; copies of all real estate tax bills and tax receipts for the last three (3) years; current title report and insurance policy with copies of all the underlying documents; and current recordable legal descriptions accompanying a survey if available (the "Property Information"). Seller agrees to provide the Property Information in its possession, custody or control to Buyer within fifteen (15) days of the Effective Date or as soon as reasonably practical after such information is located. Buyer's Due Diligence Period shall be extended automatically, if necessary, to give Buyer a fifteen (15) day review period with respect to any item of Property Information provided by Seller under this Section 5.2. In the event this Agreement is terminated by either party, Buyer agrees to return to Seller all copies of Seller's Property Information that has been provided to Buyer.

6. Condition of Property.

6.1 Seller's Promise to Maintain Property. During the term of this Agreement, Seller promises not to:

(a) remove or knowingly permit the removal of any vegetation, soil or minerals from the Property or disturb or permit the disturbance of the existing contours and/or other natural features of the Property, or

(b) cause or knowingly permit any dumping or depositing of any materials on the Property, including, without limitation, garbage, Hazardous Substances, construction debris or solid or liquid wastes of any kind.

Seller agrees to deliver the Property at the close of escrow in the same order and condition as on the Effective Date of this Agreement, except as otherwise provided in this Agreement.

6.2 Right to Inspect Property.

(a) **Property Inspection.** Except as to environmental matters which are governed by subparagraph (b) below, Buyer through its employees and agents may enter upon the Property during the Due Diligence Period to conduct such non-invasive inspections, tests and investigations as Buyer thinks appropriate to determine if any and all aspects of the Property are suitable for Buyer's intended use. Any invasive (e.g., soil sampling)

inspection, test or investigation must be approved by Seller, such approval not to be unreasonably withheld. For purposes of conducting any property inspection, Buyer shall give Seller forty-eight (48) hours prior notice so that Seller may have a representative present during any Property inspection by Buyer, its employees or agents.

(b) **Environmental Inspection.** Buyer has informed Seller that Buyer will contract with an environmental consulting company to obtain, at Buyer's sole expense, a Phase I Environmental Assessment (the "Phase I Assessment") of the Property. Buyer acknowledges that commencement of the Phase I Assessment is subject to the Seller's prior approval of the scope of services for such Phase I Assessment. The scope of services for the Phase I Assessment includes the services and a geophysical survey identified in Exhibit B attached hereto. Seller hereby acknowledges its approval of such scope of services. Buyer shall provide Seller a copy of the Phase I Assessment and Seller shall have five (5) days after receipt thereof to terminate this Agreement by written notice to Buyer. Seller shall waive such right, if written notice is not so provided. In the event Seller terminates this Agreement, Buyer's Deposit shall be promptly refunded to Buyer and Seller shall reimburse Buyer the cost of the Phase I Assessment (including the cost of the chain of title report and a geophysical survey obtained in connection therewith), not to exceed a total cost of \$5,000. Except for Seller's reimbursement of the aforesaid costs to Buyer, neither party shall thereafter have any further obligation or liability to the other.

Should Buyer determine, as a result of its review of the Phase I Assessment, that it wishes to perform additional investigation, inspection or testing beyond the approved Phase I scope of services (e.g., a Phase II Assessment), Buyer shall obtain Seller's approval of the scope of services for such Phase II Assessment, which approval may be withheld, fully or partially, in Seller's sole and absolute discretion. Buyer agrees that the scope of services for such Phase II Assessment submitted to Seller for approval must include: (i) the nature of testing and location of any areas of any proposed surface investigation not included in the Phase I Assessment and any proposed subsurface investigation; (ii) the chemical analyses proposed to be performed on any sampling; (iii) a description of proposed building materials to be tested and required building material quantities; (v) a copy of the Phase I report; and (iv) any other items reasonably requested by Seller.

Seller shall have the right, but not the obligation, to perform any Phase II study on the Property at Seller's sole cost and expense, at Seller's option. Seller retains the right not to disclose the results of such Phase II study to Buyer, in which case, Buyer may terminate the Agreement, in which case the Deposit paid by Buyer will promptly be refunded and Seller shall reimburse Buyer the cost of the Phase I Assessment (including the cost of a chain of title report and a geophysical survey obtained in connection therewith), not to

exceed a total cost of \$5,000. Except for Seller's reimbursement of the aforesaid costs to Buyer, neither party shall thereafter have any further obligation or liability to the other.

Upon Seller's partial or full approval of a Phase II Assessment scope of services, Buyer may proceed with conducting said approved Phase II at Buyer's sole expense within the time period set forth in Section 5.1.

In the event that Seller and Buyer cannot reach an agreement upon the Phase II Assessment scope of services, then either party shall have the right to terminate this Agreement upon which Buyer's Deposit shall be returned to Buyer and Seller shall reimburse Buyer the cost of the Phase I Assessment (including the cost of a chain of title report and a geophysical survey obtained in connection therewith), not to exceed a total cost of \$5,000. Except for Seller's reimbursement of the aforesaid costs to Buyer, neither party shall thereafter have any further obligation or liability to the other.

Seller agrees to fully cooperate with Buyer's environmental consultant by providing restricted and limited interviews and documents, plans, data and other information in Seller's possession, custody or control relevant to the scope of the Phase I Assessment and any subsequently approved Phase II Assessment scope of services.

While on the Property for purposes of conducting any Environmental Inspection, or a portion thereof, Buyer and its agents shall at all times be accompanied by Seller's representatives as specified by Seller.

(c) Indemnification. Buyer shall repair any damage to the Property made in connection with Buyer's (or its contractors, agents, employees or invitees) Property Inspection or Environmental Inspection and shall restore the Property to its condition as of the date hereof. In connection with said inspections, Buyer shall indemnify, defend and hold harmless Seller, its corporate affiliates, employees and officers and directors from and against any claim, liability, loss, cost, expense or damage to the Property including, without limitation, reasonable attorneys' fees arising or accruing in connection with such inspection, including, without limitation, injury to persons or damage to the Property. Notwithstanding anything to the contrary express or implied herein, Buyer's covenants and indemnification of Seller set forth in this Paragraph shall survive the close of escrow or the earlier termination of this Agreement.

6.3 Unacceptable Physical and Environmental Conditions; Property not suited for Buyer's Intended Use. Should Buyer determine, in its sole discretion, based on its investigation of the Property, that the physical or environmental conditions on the Property are unacceptable or that the Property is not suited for Buyer's intended use, Buyer may choose to terminate this Agreement, in which case

the Deposit paid by Buyer will promptly be refunded and neither party shall thereafter have further obligation or liability to the other.

6.4 Disclosure. Buyer agrees to keep confidential and not to knowingly disclose to any person or entity, other than the County and Buyer's employees, consultants performing under this Agreement, and its legal and financial advisors, without the prior express written consent of Seller, any and all data regarding the Property (including, without limitation, the sales price) or information not previously known to or generated by Buyer, or furnished to Buyer by Seller in the course of performance under this Agreement, and any information concerning the conditions, including environmental conditions of the Property; provided, however, that this provision shall not apply to data or information which: (i) are in the public domain, or which were acquired by Buyer independently from third parties not under any obligation to Seller to keep such information confidential or (ii) Buyer is informed by its legal counsel (whether in-house attorneys or outside counsel) that Buyer is required by law to disclose. Buyer agrees to provide this confidentiality provision to all consultants, contractors or employees to whom confidential information might be disclosed and shall require that all such consultants, contractors and employees be bound by this confidentiality provision. This paragraph shall supersede any previous confidentiality agreement entered into between Buyer and Seller with respect to the Property and shall survive the Close of Escrow or the earlier termination of this Agreement.

Notwithstanding anything herein to the contrary, Seller acknowledges that Buyer expects to provide the County with the Appraisal, the Phase I Assessment report and any Phase II Assessment report to obtain its approval thereof, and Buyer will request that the County keep the Appraisal and the Phase I Assessment report and the Phase II Assessment report confidential to the greatest extent possible. Seller acknowledges that the County may be unable to sign a confidentiality agreement. Buyer agrees to disclose only those terms and information necessary to allow the County to perform its due diligence of the Property.

6.5 Risk of Loss. All risk of loss will remain with Seller until closing. If the Property is destroyed or damaged prior to close of escrow, Buyer may terminate this Agreement in which case the Deposit shall be promptly refunded to Buyer and neither party shall thereafter have any further liability or obligation to the other. Seller shall notify Buyer promptly as to any damage to the Property.

6.6 Indemnity Agreement. Seller will provide Buyer at close of escrow with an indemnity agreement in favor of Buyer and its successors and assigns, in form and substance which has been deemed mutually agreeable to Buyer and Seller and satisfactory to County no later than ten (10) business days after the Effective Date, providing indemnification for any and all loss, damage, liabilities or obligations of Buyer or its successors and assigns or claims (including, without limitation, claims based on violations of Environmental Laws (as defined in Section 7.13 below) against Buyer or its successors and assigns as a result of a Hazardous Substance

(as defined in Section 7.12 below) or condition on or beneath the Property existing as of the date of close of escrow. Seller's obligations under such indemnity shall be backed by security acceptable to each of Buyer and County. If there is a conflict between the indemnity agreement and this paragraph, the indemnity agreement shall prevail. In the event Seller, Buyer and the County cannot agree on the terms and conditions of an indemnity agreement no later than ten business days from the Effective Date, Seller and Buyer shall each have the right to terminate this Agreement, upon which the Deposit shall be promptly refunded to Buyer and Seller shall reimburse Buyer the cost of the Phase I Assessment (including the cost of a chain of title report and the geophysical survey obtained in connection therewith), not to exceed a total cost of \$5,000. Except for Seller's reimbursement of the aforesaid costs to Buyer, neither party shall thereafter have any further obligation or liability to the other. The indemnification agreement shall run in favor of Buyer, its successors or assigns, and their officers, directors, employees and agents.

7. Seller's Representations and Warranties. Seller represents and warrants the following:

7.1 Seller has full power and authority to enter into this Agreement and to sell, transfer and convey all right, title and interest in and to the Property in accordance with this Agreement.

7.2 There is no tenant or occupant in possession of any part of the Property, and Seller shall not enter into any tenancy or occupancy agreements during the term of this Agreement.

7.3 To the best of Seller's knowledge, there is no suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property, or pending or threatened against Seller which could affect Seller's title to the Property, authority to convey the Property, affect the value of the Property, or subject an owner of the Property to liability.

7.4 Seller is not insolvent and has no intention of filing for protection under the bankruptcy laws of the United States.

7.5 To the best of Seller's knowledge, there are no encumbrances or liens against the Property, including, but not limited to, mortgages or deeds of trust or mechanic's or materialman's liens now asserted against the Property for work performed or commenced prior to the date hereof for or on behalf of Seller, except as stated in the Title Report, and Seller is not in default of any obligation under any mortgage or deed of trust affecting the Property.

7.6 To the best of Seller's knowledge, there is no lease, license, permit, option, right of first refusal or other agreement, written or oral, which affects the Property or any portion thereof.

7.7 To the best of Seller's knowledge, there are no encroachments by third parties on the Property and Seller does not encroach upon the property of any third party.

7.8 To the best of Seller's knowledge, neither the execution, delivery or performance of this Agreement will constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject, including any deed of trust and/or mortgage.

7.9 To the best of Seller's knowledge, there are no and have been no:

(a) Actual or impending public improvements or private rights or actions which will result in the creation of any liens upon the Property, including public assessments; or

(b) Uncured notices from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property.

7.10 To the best of Seller's knowledge, there has been no transfer of title or construction of improvements on the Property since July 1, 1983 for which a supplemental property tax assessment has not been levied and paid.

7.11 Seller has disclosed to Buyer that there may be subsurface environmental contamination, including Hazardous Substances, on or under the Property due to its former use as a munitions and light armament plant. Seller has informed Buyer that it should not disturb the improvements on the Property or interfere with the subsurface of the Property in order to ensure human health and safety. Seller has no actual knowledge of any environmental contamination of the Property from the release of Hazardous Substances off-site.

7.12 The term "Hazardous Substance(s)" means any substance which is (1) defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, (2) a petroleum hydrocarbon, including crude oil or any fraction thereof, (3) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic, or reproductive toxicant, (4) regulated pursuant to any Environmental Law(s), or (5) any pesticide regulated under state or federal law.

7.13 The term "Environmental Law(s)" means each and every federal, State of California, and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization or similar requirement of each and every federal, state and local governmental agency or other governmental authority, pertaining to the protection of human health and safety or the environment.

7.14 Under California Health & Safety Code Section 25359.7, any owner of nonresidential property who knows, or has reasonable cause to believe, that any release of a "hazardous substance," as defined in that Code Section, is located on or beneath the owner's property must disclose this fact in writing to any prospective purchaser before consummating the transaction. To the extent not otherwise disclosed in documents and information provided to Buyer, Seller agrees to deliver such notice to Buyer.

7.15 BUYER ACKNOWLEDGES THAT EXCEPT AS SET FORTH IN THIS SECTION 7, SELLER MAKES NO REPRESENTATIONS, WARRANTIES OR STATEMENTS CONCERNING THE CONDITION OF THE PROPERTY, THE VALUE OF THE SAME, THE IMPROVEMENTS THEREON, THE USE THAT CAN BE MADE OF THE PROPERTY OR ANYTHING CONCERNING THE SAME OTHER THAN WHAT IS SPECIFICALLY INCLUDED IN THIS SECTION 7. THE PROPERTY IS BEING SOLD "AS IS," "WHERE IS" AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY, EXCEPT AS PROVIDED IN THIS SECTION 7, WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, FREEDOM FROM CONTAMINATION BY HAZARDOUS SUBSTANCES, COMPLIANCE WITH ZONING OR OTHER LEGAL REQUIREMENTS OF ALL OR ANY PART OF THE PROPERTY, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS SET FORTH IN THIS SECTION 7. SELLER REPRESENTS AND BUYER ACKNOWLEDGES SELLER'S REPRESENTATION THAT SELLER HAS ONLY LIMITED KNOWLEDGE OF THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE PROPERTY BASED SO ON BUYER'S OWN INDEPENDENT INVESTIGATIONS AND FINDINGS AND NOT IN RELIANCE, EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THIS AGREEMENT, ON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S AGENTS OR CONTRACTORS. SELLER HAS MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE ANY OF THE PROPERTY EXCEPT AS EXPRESSLY PROVIDED HEREIN. AND AS EXCEPT AS PROVIDED IN THE INDEMNITY AGREEMENT

8. Reliance. All Seller's representations, warranties and promises made in this Agreement, ("Representations", "Warranties" and "Promises") are material and are relied upon by Buyer. All Representations, Promises and Warranties will be considered to have been made or affirmed as of the close of escrow and will survive the close of escrow.

If, before the close of escrow, Seller discovers any information or facts that would materially change the accuracy of the Representations and/or Warranties and/or performance of the Promises, Seller will immediately give written notice to Buyer of those facts and information. If any Representation ceases to be true during the term of this Agreement or Seller has breached any Warranty or Promise, Seller will promptly remedy the problem, at Seller's sole cost and expense, upon receipt of notice by Buyer. If the problem is not remedied before close of escrow, Buyer may choose to either: (a) terminate this Agreement, in which case the Deposit paid by Buyer will promptly be refunded or (b) defer the closing date until the problem has

been remedied. Buyer's choice in this regard will not constitute a waiver of Buyer's rights with respect to any loss or liability suffered as a result of a Representation not being true or a Warranty or Promise having been breached, nor will it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

9. **Remedies Upon Default.** If Seller defaults in the performance of any of Seller's obligations under this Agreement, Buyer will, in addition to any and all other remedies provided in this Agreement or by law or equity, have the right of specific performance against Seller. If Buyer defaults in the performance of any of its obligations under this Agreement, Seller shall be entitled as its sole and exclusive remedy hereunder to the Deposit and any accrued and undisbursed interest, any other income earned thereon and Buyer shall be obligated to pay the cost of the Title Report and any outstanding escrow fees owing to Escrow Holder as a result of this transaction (the "Liquidated Damages Amount") as full liquidated damages for such default of Buyer, whereupon this Agreement shall be null and void and of no further force or effect.

IF THE SALE OF THE PROPERTY AS CONTEMPLATED HEREUNDER IS NOT CONSUMMATED SOLELY BECAUSE OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF THE BUYER, ESCROW HOLDER SHALL PROMPTLY PAY OVER TO SELLER THE LIQUIDATED DAMAGES AMOUNT AND ALL EXTENSION FEES PAID AND SELLER SHALL RETAIN SUCH SUMS AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER HEREUNDER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, THE PARTIES EXPRESSLY AGREE AND ACKNOWLEDGE THAT THE SUMS SPECIFIED HEREIN HAVE BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES. THEREFORE, IF, AFTER SATISFACTION OR WAIVER OF ALL CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS UNDER THIS AGREEMENT, BUYER BREACHES THIS AGREEMENT AND WRONGFULLY FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED HEREIN, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT SPECIFIED HEREIN. ON RECEIPT AND RETENTION BY SELLER OF SUCH SUMS, THIS AGREEMENT SHALL TERMINATE AND BUYER SHALL HAVE NO FURTHER OBLIGATION OR LIABILITY HEREUNDER (EXCEPT, TO THE EXTENT APPLICABLE, FOR THE INDEMNIFICATION FOR INSPECTIONS OF THE PROPERTY SET FORTH IN SECTION 6.2 HEREOF). THE PARTIES FURTHER ACKNOWLEDGE THAT THE SUMS SPECIFIED HEREIN HAVE BEEN AGREED UPON AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF DEFAULT ON THE PART OF BUYER.

10. **Indemnification.** Seller will indemnify, defend with counsel of Buyer's choice and hold harmless Buyer, its officers, directors, employees and agents, from all expense, loss, liability, damages and claims, including Buyer's attorneys' fees, if necessary, arising out of any misrepresentation by Seller and /or Seller's breach of any warranty or covenant. The provisions of this Section 10 shall survive the close of escrow for a period of two years.

11. Miscellaneous Terms.

11.1 Notices. All notices required or permitted under this Agreement will be in writing and delivered to the parties by facsimile transmission, personally by hand, courier service or Express Mail, or by first class mail, postage prepaid, at the addresses stated in Recital A. All notices will be considered given: (a) if sent by mail, when deposited in the mail, first class postage prepaid, addressed to the party to be notified; (b) if delivered by hand, courier service or Express Mail, when delivered; or (c) if transmitted by facsimile, when transmitted. The parties may, by notice as provided above, designate a different address to which notice will be given.

11.2 Legal Costs. If any legal action is brought by either Seller or Buyer to enforce any provision of this Agreement or is based upon any matter arising out of or related in any way to this Agreement, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees, court costs and all expenses of litigation, whether or not authorized by statute as costs, in such amounts as will be allowed by the court.

11.3 No Broker's Commission. Each party represents to the other that it has not used a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. If any person asserts a claim for a broker's commission or finder's fee against one of the parties, the party on account of whose actions the claim is asserted will indemnify, defend and hold the other party harmless from and against the claim. The indemnification obligation will survive the close of escrow or earlier termination of this Agreement.

11.4 Time of the Essence; Dates. Time is of the essence of this Agreement. If any date specified in this Agreement falls on Saturday, Sunday or a public holiday, that date will be considered to be the succeeding day on which public agencies and major banks are open for business.

11.5 Binding on Successors. This Agreement will be binding not only on the parties but also on their respective successors and assigns. In the event that Buyer assigns its interest in this Agreement to another party, Buyer agrees to provide to Seller, for Seller's approval, which approval shall not be unreasonably withheld, a form of assignment for use in accomplishing such assignment.

11.6 Additional Documents. Seller and Buyer agree to sign such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Agreement.

11.7 Nonforeign Certificate. Concurrent with the execution of this Agreement, Seller will execute a Non-Foreign Certificate in the form attached hereto as Exhibit C. Seller acknowledges that if Seller is unable to certify that it is not a

foreign person or entity, Buyer may be required to withhold a portion of the Purchase Price at closing for U.S. income tax purposes.

11.8 Resident Requirement. The Parties acknowledge that as of January 1, 1994, California Revenue and Taxation Code Sections 18662 and 18668 place special requirements for tax reporting and withholding on buyers of California real property when (a) the selling price is greater than One Hundred Thousand Dollars (\$100,000.00); (b) the seller has not received a California Homeowners Property Tax Exemption during the year of the sale; and (c) the funds to the transaction are to be disbursed to either: (i) a seller with a last known address outside of California; or (ii) a financial intermediary of the seller. Seller agrees to sign, at or before Close of Escrow, any and all documents necessary to document compliance with the tax reporting and withholding requirements of California law as referred to above.

11.9 Entire Agreement. This Agreement and, upon execution, the Restrictive Covenant described in Section 3.3 and the Indemnity Agreement described in Section 6.6, constitute the entire agreement between the parties about the Property and supersedes all prior and contemporaneous agreements, representations, and understandings.

11.10 Interpretation. This Agreement will be interpreted without regard to any presumption or other rule of interpretation based on who drafted the Agreement.

11.11 Amendment. No amendment of this Agreement will be binding unless in writing and signed by the parties.

11.12 Waiver. No waiver of any term of this Agreement will be considered a waiver of any other term, whether or not similar, nor will any waiver be considered

a continuing waiver. No waiver will be binding unless in writing and signed by the party making the waiver.

11.13 Assignment of Buyer's Interest. Subject to Section 11.5, Buyer may assign its interest in this Agreement to an organization or entity that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986 and applicable regulations.

11.14 Severability. Each term of this Agreement is severable from any and all other terms of this Agreement. Should any term of this Agreement be for any reason unenforceable, the balance will still be of full force and effect.

11.15 No Merger. The obligations contained in this Agreement, except for those specifically discharged in escrow (such as conveyance of title to the Property, placing any deeds of trust on the Property and delivery of money and documents in the escrow), will not merge with transfer of title but will remain in effect until fulfilled.

11.16 Governing Law. This Agreement will be governed by and interpreted in accordance with the laws of the State of California.

11.17 Exhibits. All Exhibits attached to this Agreement are incorporated into this Agreement by this reference.

11.18 Counterparts/Execution by Facsimile. This Agreement may be signed in counterparts, each of which will be considered an original and which together will constitute one and the same agreement. This Agreement may be signed and delivered via facsimile and a facsimile signature shall have the same legal effect as an original signature.

IN WITNESS of the foregoing provisions the parties have signed this Agreement below:

SELLER:

TDY INDUSTRIES, INC., A California corporation

By: 

Title: Executive Vice President - Finance
and Administration and Chief Financial
Officer

Date: May 1, 2000

BUYER:

THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation

By: _____

Title: _____

Date: _____

a continuing waiver. No waiver will be binding unless in writing and signed by the party making the waiver.

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SELLER:

TDY INDUSTRIES, INC., A California corporation

By: 

Title: Executive Vice President - Finance and Administration and Chief Financial Officer

Date: May 1, 2000

BUYER:

THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation

By: 

Title: Regional Counsel

Date: May 1, 2000

EXHIBIT A

LEGAL DESCRIPTION

THE LAND SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

GOVERNMENT LOTS 3, 4, 8 AND 9 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 1.

PARCEL 2:

THAT CERTAIN PARCEL OF REAL PROPERTY LOCATED IN THE NORTHEAST QUARTER OF SAID SECTION 1, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WESTERLY 800.00 FEET OF THE NORTHEAST QUARTER OF SECTION 1;

SAVING AND EXCEPTING THE SOUTHERLY 568.09 FEET OF SAID WESTERLY 800.00 FEET AND GOVERNMENT LOT 7 LYING ADJACENT TO THE NORTHERLY BOUNDARY OF SAID SECTION 1 AND WITHIN SAID WESTERLY 800.00 FEET;

EXCEPTING THAT PORTION OF GOVERNMENT LOTS 3 AND 8 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 1, WHICH IS INCLUDED IN A STRIP OF LAND 200.00 FEET IN WIDTH LYING 100.00 FEET MEASURED AT RIGHT ANGLES ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE AND EXTENSION THEREOF;

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION 1, DISTANT THEREON 1959.18 FEET EASTERLY FROM THE NORTHWEST CORNER OF SAID SECTION 1;

THENCE SOUTH 8° 47' 19" WEST, DISTANT 457.81 FEET TO AN ANGLE POINT;

THENCE SOUTH 1° 24' 37" WEST, A DISTANCE OF 496.65 FEET TO ANGLE POINT;

THENCE 4° 32' 51" EAST, 1722.25 FEET, MORE OR LESS, TO A POINT IN THE SOUTH LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 1, DISTANT THEREON 614.86 FEET WESTERLY FROM THE CENTER OF SAID SECTION 1, CONTINUING 11.45 ACRES, MORE OR LESS;

ALSO EXCEPTING THEREFROM THE GAS, OIL AND COAL RIGHTS IN AND TO PROPERTY ACQUIRED BY DEED FROM SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD;

TOGETHER WITH A RIGHT-OF-WAY FOR ROAD PURPOSES, MEETING RIVERSIDE COUNTY SPECIFICATIONS IN WIDTH, ALONG THE LINE OF THE PRESENTLY EXISTING AEROJET GENERAL CORPORATION ROADWAY.

EXHIBIT B

SCOPE OF PHASE I ASSESSMENT



United States Department of the Interior
Fish and Wildlife Service
Ecological Services
Carlsbad Fish and Wildlife Office
2730 Loker Avenue West
Carlsbad, California 92008



Michael G. Ritchie
Division Administrator
Federal Highway Administration
980 Ninth Street, Suite 400
Sacramento, California 95814-2724

JUL 05 2000

Attn: Jason Dietz, Transportation Engineer

Re: Formal Section 7 Consultation on the Proposed Interstate 15/Galena Street Interchange Project, Riverside County, California (1-6-00-F-09)

Dear Mr. Ritchie:

This document transmits our biological opinion based on our review of the proposed freeway interchange project at Galena Street and Interstate 15 (I-15) located in Riverside County, California, and its effects on the federally endangered Delhi Sands flower-loving fly (*Rhaphiomidas terminatus abdominlaus*, "DSF") in accordance with section 7 of the Endangered Species Act (Act) of 1973, as amended (16 U.S.C. 1531 *et seq.*). The project applicant has incorporated minimization measures to address the effects of the proposed project on the sensitive burrowing owl (*Athene canicularia*). Since the burrowing owl is not a federally listed species, it will not be addressed further in this biological opinion. Your November 23, 1999, request for formal consultation was received on November 29, 1999. An initial draft biological opinion dated April 10, 2000, was sent to you via facsimile and FedEx that same day. Per your request, a second draft biological opinion was sent to you on June 1, 2000.

Your November 23, 1999, request for formal consultation included the San Bernardino kangaroo rat (*Dipodomys merriami parvus*, "SBKR"). Upon review of the historic range of the species, species' known range, and potential for recovery within the action area for the proposed project, we have determined that the proposed action would not adversely affect SBKR. SBKR is not considered further in this biological opinion.

This biological opinion is based on: 1) the *Recovery Plan for the Delhi Sands Flower-Loving Fly* (Recovery Plan) dated September 1997; 2) a meeting and site visit among this office, California Department of Transportation (Caltrans), and County of Riverside (County) on December 4, 1997; 3) a meeting among this office, Federal Highway Administration (FHWA), Caltrans, and the County on April 16, 1998; 4) a meeting among this office, FHWA, Caltrans, and the County on September 16, 1998; 5) a meeting between this office and County on January 6, 1999; 6) a conference call between this office us and FHWA on April 30, 1999; 7) a meeting

among this office, FHWA, Caltrans, and County on May 7, 1999; 8) a meeting among this office, FHWA, Caltrans, and County on May 13, 1999; 9) a *Biological Assessment for the Galena Street and Interstate 15 Interchange, Galena Street Alternative* dated November 1999; 10) a letter dated November 23, 1999, from FHWA to this office us requesting initiation of formal consultation of the subject action; 11) our letter dated January 11, 2000, to FHWA regarding additional information and clarification needed for formal consultation on the proposed action; 12) a meeting/teleconference among this office, County, FHWA, and Caltrans on January 12, 2000; 13) a facsimile dated January 26, 2000, from the County to this office regarding modification and revisions to the subject proposed action; 14) a meeting at the proposed conservation area among this office, the County, and their biological consultant on February 10, 2000; 15) a conference call regarding the draft biological opinion between this office us, the County, FHWA, and Caltrans on April 27, 2000; 16) a meeting at the proposed conservation area with staff from this office and the County's biological consultant on May 3, 2000; 17) comments received from FHWA dated May 5, 2000, on the draft biological opinion; 18) comments received from the County on April 26, 2000, and received by us on April 27, 2000, on the draft biological opinion and revised conservation measures received by us on May 10, 2000; 19) comments received from Caltrans on the draft biological opinion dated May 17, 2000, and received by us on May 22, 2000; 20) comments received from FHWA on the second draft biological opinion dated June 27, 2000, and received by us via facsimile on June 28, 2000; 21) the biological literature (see "Literature and References Cited" below); and 22) other unpublished data and information in our files.

Consultation History

In a letter dated January 11, 2000, we requested additional information and clarification of the information provided in your biological assessment (BA) November 1999 and your letter of November 23, 1999. In a meeting/teleconference with the County, Caltrans, and FHWA on January 12, 2000, and a facsimile from the County dated January 26, 2000, we received additional information and clarification of the proposed project description, which is reflected herein.

BIOLOGICAL OPINION

DESCRIPTION OF THE PROPOSED ACTION

The proposed action is the construction and operation of a new interchange over I-15 located at the proposed Galena Street alignment in the Mira Loma area of unincorporated Riverside County, California, which is also near the City of Ontario and the Jurupa area. The proposed project construction site is north of the existing Bellegrave Avenue/I-15 overcrossing and Santa Ana River, and south of State Route 60 (SR-60) along both sides of I-15. After the County and Caltrans applied to FHWA for funding and other appropriate highway-related authorization in this action, FHWA agreed to provide partial funding for the construction of the new interchange. Caltrans would construct and operate the interstate portions of the project, while the County would construct and operate the non-interstate portions of the action. Subsequent to the

conclusion of informal consultation, which extended for a 1½ years, this office, FHWA and Caltrans concluded that the completion of formal consultation process was needed due to potential adverse affects to DSF.

According to the FHWA, Caltrans, and County, the proposed interchange is intended to: 1) provide additional access to I-15, 2) relieve congestion on the nearby SR-60 and I-15 interchanges in a developing residential, commercial, and industrial area in western Riverside County, and 3) better separate industrial traffic (north of Bellegrave Avenue) from residential areas (between Bellegrave Avenue and Limonite Avenue) in this developing area.

The proposed action includes construction of new extensions of Galena Street to logical termini at Hamner/Milliken Avenue and Wineville Road. These extensions would connect Galena Street at Wineville Road on the east with Hamner/Milliken Avenue on the west, where no direct connection currently exists. Improvements would also be made to Hamner/Milliken Avenue and Wineville Road in the vicinity of their respective Galena Street intersections. The proposed project would be located in sections 7 and 8 of Township 2S, Range 6W on the U.S. Geological Survey Guasti 7.5-minute quadrangle.

For purposes of consultation under section 7 of the Act, the "action area" is defined at 50 CFR 402 to mean "all areas to be affected directly or indirectly by the federal action and not merely the immediate area involved in the action." The action area includes the SR-60 freeway between the New Haven Avenue and Etiwanda Avenue off-ramps, the I-15 freeway between Jurupa Street and Limonite Avenue, and the areas actively served by this portion of the vehicle transportation system. The area served is generally bounded by Limonite Avenue/Cloverdale Road to the south, Archibald Avenue/South Archibald Avenue to the west, Riverside Drive and Haven Avenue to the northwest, SR-60 to the north, Etiwanda Avenue, Van Buren Boulevard, and Bellegrave Avenue to the northeast, and Etiwanda Avenue to the east. This determination is based on changes that would occur in traffic levels and circulation patterns on the roads within this area if the proposed action is implemented. This area covers 36 square kilometers (14 square miles) or 3,600 hectares (9,000 acres).

The proposed Galena Street extension is a six-lane urban arterial with a planned width of 40.8 meters (134 feet). The extensions of Galena Street would run from I-15 approximately 885 meters (2,900 feet) east to Wineville Road and approximately 700 meters (2,300 feet) from I-15 west to Milliken Avenue. The footprint of the north and southbound I-15 on- and off-ramps on the east and west sides of the freeway would stretch approximately 800 meters (2,620 feet) from north to south. Widening and improvements would be made along Milliken Avenue for approximately 400 meters (1,300 feet) north and 300 meters (980 feet) south of Galena Street. Wineville Road would also be improved for approximately 100 meters (330 feet) south of Galena Street. The total project footprint would cover approximately 15.4 hectares (38.5 acres). Project construction is scheduled to begin in July 2001 and the planned opening date for the interchange is in July 2002.

As a means of avoiding (or to compensate for) potential project-related impacts to the DSF, the County of Riverside has incorporated the following conservation measures into the proposed project:

1. The County will secure habitat for the conservation and management of the DSF. The area to be acquired consists of 75 hectares (186 acres) in three contiguous parcels (APNs 173170001, 003, 014) in the Jurupa Recovery Unit, as described in the Recovery Plan. The parcels are located on the northern edge of Riverside County in the Jurupa Hills. Based on field review, the conservation site currently supports about 12 hectares (30 acres) Colton Dune (an extensive system of dunes composed of the Delhi soil series) habitat occupied by DSF.
2. Prior to groundbreaking, the conservation site will be encumbered by a conservation easement or similar deed restriction limiting use to conservation purposes, and subject to U.S. Fish and Wildlife Service (Service) review and approval.
3. Beyond the proposed conservation for DSF, the County intends to secure multiple species mitigation credit for other Colton dune species to be identified in coordination with the Service within the conserved dune habitat. For the yet to be identified species on the approximately 62 hectares (156 acres) outside the dune habitat, the County intends to secure multiple species mitigation credit. The amount of credit and species covered within the remaining areas that include coastal sage scrub/non-native grassland/ruderal areas will be determined on the basis of future biological resources evaluations and a separate consultation with the Service. The County intends to limit use of any future credits to County projects.
4. A management plan for the dune habitat proposed for conservation will be provided to the Service for review and approval prior to groundbreaking. The following will be taken into account in developing the management plan:
 - a. The management plan will address restoration activities, management strategies, long-term funding mechanisms, and an implementation schedule. In addition to the provisions detailed below, the management plan will address: rubble and trash removal, feasibility of removal man-made improvements, signage, maintenance, patrol, administration, and monitoring/reporting.
 - b. Because the conservation site is currently subjected to disturbance associated with unauthorized grazing, mountain biking, and operation of off-road vehicles, the management plan will include provisions for restricting vehicle access to the site. Access considerations will include coordination with Metropolitan Water District of Southern California (MWD) relative to joint use of their existing patrol road and ongoing activities in support of their facilities that bisect the conservation site. Lack of cooperation on the part of MWD will not be cause for delay in Service approval of the management plan provided documentation is presented which

- demonstrates that repeated efforts were made to engage MWD on access and related issues.
- c. The plan will address sand management. Sand management provisions will include: 1) a mechanism for ongoing evaluation of dune function and value and 2) provisions for use of the conservation site as a deposit location for Delhi sand salvaged as a requirement of other Service consultation/permitting actions.
 - d. Because the conservation site was used for munitions manufacturing up until the mid-1970's and since had been subject to unauthorized grazing, mountain biking, and off-road vehicles, an assessment for hazardous materials will be conducted. Resulting recommendations for restriction of activities and/or remediation will be incorporated into a restoration component of the management plan, subject to Service review and approval.
 - e. Habitat areas will be delineated on the basis of vegetation maps prepared by a DSF-permitted biologist, subject to Service review and concurrence.
 - f. The dune area, the focus of this conservation effort, will be protected by the surrounding approximately 62 hectares (156 acres) on the three parcels that constitute the conservation site, including surrounding properties to the east, west, and south that are in public ownership or are undevelopable. The buffer value of surrounding lands within the conservation site with respect to the initial management plan for the dune habitat is not to the exclusion of multiple species values that may be determined in subsequent consultation.
 - g. An endowment will be established to provide for conservation site management. The endowment will be determined on the basis of a property analysis record (PAR) or similar analysis, subject to Service approval.
 - h. Analysis of the site for conservation value and management strategies will take into account any easements or other property rights that may be identified in the title records. To the extent that any rights are identified that would be detrimental to the conservation objectives, the County will endeavor to divest any conflicting rights/uses.
5. The footprint of the project within Delhi soils will be minimized to the greatest extent feasible. The project footprint will be delineated with safety fencing to prevent accidental encroachment into Delhi soils. A DSF-permitted biologist will be present during delineation of the construction area. To verify that no intrusion onto Delhi soils outside of the project footprint has occurred, construction within and adjacent to Delhi soils will be monitored weekly by a biological monitor.

6. Construction activities in mapped Delhi soils will be monitored for the presence of adult DSF daily during the flight season (August 1 through September 20) by a DSF-permitted biologist.
7. Project staging will be confined to the right-of-way within the project footprint, or take place outside of Delhi soils. Activities such as grading, stockpiling and excavation of soil, parking and storage of equipment, and ingress and egress of vehicles and personnel will not be permitted on Delhi soils outside of the staked project footprint. Delhi soils adjacent to the project footprint will be fenced to prevent encroachment. A DSF-permitted biologist will verify that staging areas are not on Delhi soils and will verify fencing of adjacent Delhi soils. The designated mitigation monitor will provide monthly letter reports to the FHWA and the Service containing a summary of construction activities and documenting compliance with the proposed action as described herein.
8. The construction inspector will verify and record in the daily reports whether or not construction activities have been confined to the designated corridor.
9. If project-related encroachment onto Delhi soils occurs beyond the defined construction limits, the County will mitigate the encroachment by replacing the encroached upon habitat at a 3:1 ratio or by an equivalent method agreed to by the Service. The County will notify the Service of any such encroachment within 48 hours of its detection.
10. Prior to beginning construction activities, all construction personnel will take part in an education program. Construction personnel will be notified of the potential for the DSF and burrowing owls in and adjacent to the construction area. Construction personnel will be advised that the DSF is listed under the Act and that there are penalties for take of listed species. All construction-related avoidance, minimization, and mitigation requirements will be identified and discussed. Written copies of required avoidance, minimization, and mitigation measures will be provided to all construction personnel. The program shall be administered by a Service-approved biologist.
11. The Service will be notified of impending construction, at least, 14 days prior to the commencement of grading or clearing activities.
12. Appropriate measures will be taken to ensure the prompt cleanup of any spills and the proper disposal of all liquid and solvent waste associated with construction. Construction equipment maintenance will be conducted outside of areas mapped as Delhi soils.
13. All trash associated with construction or other personnel on the site will be properly contained and disposed of.
14. A pre-construction survey for resident burrowing owls will be conducted by a qualified biologist. If owls are determined to be present within the construction footprint, they will be captured and relocated to the conservation site to be secured under Measure Number 1,

above. The pre-construction survey and any relocation activity will be conducted in accordance with the California Department of Fish and Game (CDFG) staff report on burrowing owl mitigation (CDFG 1995).

STATUS OF THE SPECIES

Delhi Sands Flower-Loving Fly

The Delhi Sands flower-loving fly is a large, inch-long insect in the Dipteran family Mydidae. The genus *Rhaphiomidas* was formerly considered to be within the family Apioceridae. However, recent taxonomic studies of the insect order Diptera indicate that it belongs to the family Mydidae (Sinclair et al. 1994, Woodley 1989, Ovchinnikova 1989, Yeates 1994). The genus *Rhaphiomidas* contains 19 species and 5 subspecies, all of which occur in the southwestern United States and northwestern Mexico (Cazier 1985, Peterson 1981, Rogers and Mattoni 1993). At least one species, the Acton flower-loving fly, is an important pollinator of the endangered Santa Ana River woolly-star (*Eriastrum densifolium* ssp. *sanctorum*) found in the Santa Ana River drainage (Munoz 1991). *R. terminatus* contains two subspecies. The other subspecies, the El Segundo flower-loving fly (*R. t. terminatus*), is presumed to be extinct following the historic loss and development of the El Segundo Dunes and associated habitats near what is now the Los Angeles International Airport. The DSF is the only extant representative of its species and subject to similar threats.

The lifespan of DSF is essentially unknown, but similar to other flies in the genus *Rhaphiomidas*, the larval stage may last 2 years or longer depending on environmental conditions (U.S. Fish and Wildlife Service 1997). Early stages are spent underground and are present throughout the year. Adults emerge and become active in the late summer and are most active during the warmest, sunniest parts of the day. Females oviposit (lay eggs) mostly under the shade of vegetation (Rogers and Mattoni 1993). The DSF is generally found in areas containing Delhi fine sands soil type or windblown soils, with sparse (0 to 30 percent) vegetative cover, and can be found in areas with higher vegetative cover. They are most abundant in areas that contain a high percentage of native vegetation.

The DSF historically ranged across the Colton Dunes, an extensive system of dunes composed of the Delhi soil series. The Colton Dunes originally extended over 66 square kilometers (40 square miles, 12,000 hectares, or 29,000 acres) in southwestern San Bernardino and northwestern Riverside counties. The Colton Dune ecosystem was historically the largest inland non-desert sand dune formation in southern California. Over 98 percent of the original range of the DSF has been developed or severely modified, limiting conservation options. The remnant portions of the Colton Dunes ecosystem still existing represents a "hot-spot" of biological diversity, with several endemic species, including named and unnamed invertebrates, and a plant now thought to be extinct. These rare animal and plant species include the legless lizard (*Anniella pulchra*), San Diego horned lizard (*Phrynosoma coronatum blainvillii*), Delhi Sands metalmark butterfly (*Apodemia mormo nigrescens*), Delhi Sands Jerusalem cricket (*Stenopelmatus* undescribed species), convergent apiocerid fly (*Apiocera convergens*), and Pringle's monardella (*Monardella pringlei*). The metalmark butterfly was recently described (Emmel and Emmel 1998).

The dominant physical characteristic of the Colton Dunes ecosystem is a series of dynamic windblown (aeolian) dunes, subject to repeated ground surface changes during periodic, seasonal, high winds. "Santa Ana" winds normally occur during autumn and winter, and facilitate transportation and maintenance of sand and provide periodic endogenous disturbance (disturbance to which the system has been exposed repeatedly through evolutionary time) of dune surfaces (McIntyre and Hobbs 1999). The endogenous disturbance of the dune system by high winds is an essential component of DSF ecosystem function. Sand blown from the canyons of the San Gabriel and San Bernardino mountains was historically transported across and deposited into the western San Bernardino Valley. The winds continually reshaped the extensive dynamic dune system that stretched across the valley. Only remnants of this dune system remain intact today with major portions of the sand-transport wind-corridor cut-off by intervening development. Because the majority of sand moved by wind travels close to the ground, the structures associated with relatively recent development capture much of this sand flow, preventing much of it from reaching the remaining dunes areas in the San Bernardino Valley. The DSF depends on this dynamic aeolian system, and long-term conservation of the DSF and its rare ecosystem must consider sand supply/transport and dune dynamics.

Disturbance is an important agent in shaping ecosystem structure and function, controlling and maintaining species diversity, and promoting system renewal (Pickett and White 1985, Holling 1986, Perry and Amaranthus 1997). A distinction should be made between endogenous disturbances and novel disturbances that are recent in origin, like exogenous or exotic disturbances. Exogenous disturbances are not part of the natural disturbance regime (Stylinski and Allen 1999), and are usually the result of human activities that tend to result in modification of the ecosystem and loss native of species. Severe exogenous/exotic disturbances dramatically affect plant succession and often lead to type conversion of plant communities (Stylinski and Allen 1999). Exogenous disturbances can alter succession processes due to loss of soil nutrients (or their temporary release), microflora, native seed banks and proximate seed sources, and result in the rapid invasion of alien weeds (Allen 1988). Such alterations can lead to persistence of early seral species, reduction of native species cover and richness, and alteration of ecosystem processes and disturbance regimes (Hironaka and Tisdale 1963, Lanthrop 1983, Vitousek and Walker 1989, Stylinski and Allen 1999).

A continuum of habitat destruction (i.e., loss of structural features of the original vegetation and the loss of the majority of species) regionally exists in the San Bernardino Valley. Four landscape states exist relative to exogenous disturbances; 1) intact, 2) variegated, 3) fragmented, and 4) relictual. Within generally intact areas of DSF habitat, the degree of habitat destruction is small and connectivity remains high. By comparison, within variegated DSF habitat, the alterations to the landscaped create a moderate degree of habitat destruction, but connectivity remains relatively high between habitat areas. Fragmented DSF habitat areas have a high degree of habitat destruction and connectivity is generally low. Within relictual habitat areas, the degree of habitat destruction is extreme (greater than 90 percent), and no connectivity of remaining habitat exists. Because so little intact habitat is remaining rangewide, disturbed areas with moderate function and/or potential for restoration are extremely important and necessary for the

long-term survival of the DSF. Development eliminates habitat functions, destroys restoration potential, and fragments remaining areas resulting in substantial permanent losses to the species.

DSF populations are at risk simply because of their small size. Small populations have a higher probability of extinction than larger populations because their low abundance renders them susceptible to inbreeding, loss of genetic variation, high variability in age and sex ratios, and stochastic (random naturally occurring) events, like wildfires, floods, droughts, or disease epidemics (Bolger et al. 1991). Owing to the probabilistic nature of extinction, some small populations will survive in the short term when faced with these demographic, environmental, and genetic stochastic risks, but will eventually disappear.

Small populations in the wild suffer from increased localized extinction because of an unavoidable increase in matings between close relatives. Inbreeding reduces reproductive success of most species (Frankham 1995a) and increases extinction rates in laboratory populations of fruit flies and mice (Frankham 1995b). From studies of metapopulations of Glanville fritillary butterflies (*Lelitaea cinxia*), Saccheri et al. (1994) found empirical evidence that inbreeding contributes to extinction of wild populations. Genetic factors likely are involved in the extinction of wild populations of most species. These results are particularly relevant to the species like DSF with small local populations due to habitat loss and fragmentation (Lande 1998).

Another factor that renders populations vulnerable to stochastic events is isolation, which often acts in concert with small population size to increase the probability of extinction. Urbanization and land conversion has fragmented the historic range of the DSF such that remaining blocks of occupied habitat now function independently of each other where they were formerly connected. Isolated populations are more susceptible to long-term/permanent extirpation by accidental or natural catastrophes, because the recolonization of isolated sites after an extirpation event has been precluded. The extirpation of remnant populations during local catastrophes will continue to become more probable as land development eliminates habitat and further constricts remaining populations. For these reasons, preservation of remaining occupied sites alone will not ensure DSF survival. Restoration of degraded and disturbed sites will be necessary for the survival of the species, so that populations are robust enough to sustain themselves through stochastic events and remain viable despite the indirect effects of surrounding development. Even with restoration of a significant number of degraded and disturbed sites, continual weeding/control of alien species and artificial transport of sand will be necessary for ecosystem maintenance of most, if not all, DSF habitat areas.

Areas of habitat and non-habitat is important for DSF. Fragments of habitat surrounded by relatively large gaps of non-habitat (inter-patch distance) effectively isolate fragments from each other, analogous to "islands" in a "sea" of non-habitat. But when fragments are somewhat closer together, the effective isolation can be dependent upon the type of surrounding non-habitat (Ricketts 1999). Because DSF has moderate movement ability in the adult phase (flying), we expect that varying types of surrounding non-habitat, like a vacant field versus commercial development, will have substantial effect on dispersal potential between habitat fragments.

Fragmentation of habitat and the consequent edge effects often lead to increased vulnerability to introduced predators and competitors. For example, Argentine ants (*Iridomyrmex humilis*) are invading native coastal ecosystems. These non-native ants could have adverse direct or indirect adverse effects on DSF populations (T. Longcore, UCLA researcher, pers. comm. 1998). Argentine ants are known to exclude most native ant species upon invasion in coastal southern California habitats (R. Fisher, U.S. Geological Survey researcher, pers. comm. 1998); the ecological effects of exclusion of most of the native ants would have considerable negative effects on this ecosystem. Ants are a major component of most terrestrial ecosystems (Wilson 1992). Argentine ants could adversely affect DSF individuals directly by preying on larva and teneral (newly emerged) adults, and could affect the ecosystem prey base or seed plants, or could disrupt key ecosystem functions typically carried out by native ants. Invasion of these ants is expected with development and associated irrigation adjacent to areas occupied by DSF, and can have devastating cascading effects through the ecosystem.

Edge effects of development also include facilitation of the introduction of invasive, alien weeds that degrade DSF habitat by out-competing and supplanting native vegetation. Additionally, these weeds alter the amount of soil moisture or otherwise alter the soil substrate. These opportunistic alien species displace native plant communities; native plants cannot compete with drought-tolerant annual grasses in many parts of the Colton Dunes ecosystem once these exotics are established. Alien species often out compete native plant species following the disturbance associated with implementation of fire prevention measures such as "weed" abatement. The diversity and abundance of arthropods have been found to be significantly reduced in coastal dune areas containing non-native plants versus native vegetation (Nagano et al. 1981, Nagano and Hogue 1982, Slobodchikoff and Doyen 1977). Similar effects are expected within the Colton Dunes ecosystem.

The DSF is one of the most-imperiled species in the United States. Of the approximately 12,000 hectares (29,000 acres) of Delhi soils that existed historically within San Bernardino and Riverside counties (the original range of DSF), approximately 3,200 hectares (8,000 acres) of Delhi soils outside of "dairy" areas were still vacant or undeveloped in 1990. Of that 3,200 hectares, about 1,600 hectares (4,000 acres) were still vacant in 1999 (U.S. Fish and Wildlife GIS mapping 1999). The action area makes up about 30 percent of the DSF's historical range. Only 12 known populations of the DSF are now extant with an unknown number of individuals. All of these populations occur on a total occupied area of approximately 240 hectares (600 acres), approximately 2 percent of the original range of the species. Virtually all populations occur in small, isolated habitat patches surrounded by incompatible land uses and are highly vulnerable to extirpation. Nearly all areas with extant populations are proposed for development and almost all of the remaining habitat is privately owned.

Rangewide, only four sites encompassing about 22 hectares (54 acres), all within the Colton Recovery Unit are now in reserve status and are being managed for this species. With the continued loss of habitat to development and lack of coinciding conservation, the future for DSF is highly precarious. DSF likely will become extinct in the near future if existing development trends continue absent adequate conservation of land and ecological processes. We identified a

minimum of 490 hectares (1,200 acres) of habitat in a series of linked reserves is needed for long-term survival of DSF (response to the Delhi Sands flower-loving Fly: *A Collective Response On Locating Suitable Habitats* dated August 31, 1999).

In San Bernardino County, remaining habitat is distributed largely within the cities of Colton, Fontana, Rialto, Ontario, Rancho Cucamonga, and the unincorporated portions of the San Bernardino Valley. The most contiguous and highest function intact habitat exists Colton. Within Riverside County, the sites with the highest current function for DSF are within the Jurupa Hills. Other potential habitat within Riverside County is largely within the unincorporated Mira Loma area that is primarily unsurveyed; the largest blocks of undeveloped/non-dairy Delhi soils are in the action area north of Galena Street, and north of SR-60/east of I-15.

The primary cause for the decline of the DSF is degradation of its habitat with agricultural and dairy uses, and more recently, the conversion/destruction of habitat through urban and commercial development. The trend for the San Bernardino Valley is for native habitats and low-intensity land uses to be converted into more profitable enterprises. This results in the continued conversion and fragmentation of native habitats on private lands. Nationwide, this conversion and fragmentation represents a major threat to ecosystem health and conservation of biological diversity (Meffe and Carroll 1997). Development has not only led to the direct loss of DSF habitat and populations, but has resulted in indirect impacts such as fragmentation and associated edge effects, including disruption of aeolian wind movement of sand throughout the Colton Dunes ecosystem. Rangewide, local jurisdictions are authorizing development of occupied and potential DSF habitat without addressing the conservation needs of the species. The DSF is on the brink of extinction and probably would be extinct if it was not for the federal listing under the Act.

The Recovery Plan delineates actions that would lead to the downlisting of the species and would prevent extinction (U.S. Fish and Wildlife Service 1997). It outlines permanent protection of eight viable populations spread across three recovery units (i.e., Colton, Jurupa, and Ontario). No occupied habitat is currently secure within the Ontario or Jurupa Recovery Units. All three recovery units are experiencing rapid growth through commercial, industrial, and urban development. The loss of the DSF in any recovery unit would probably preclude its survival and lead to the extinction of the DSF. The criterion in the Recovery Plan for the Jurupa Recovery Unit is the permanent protection of Jurupa Hills population in Fontana. The criterion for the Colton Recovery Unit is the permanent protection of at least four DSF populations. The remaining 3 identified DSF populations would be ostensibly split between the Ontario and Jurupa Recovery Units.

The action area is found within the Ontario and Jurupa Recovery Units (the proposed conservation area is found within the Jurupa Hills portion of the Jurupa Recovery Unit). The recovery objectives within this recovery unit is the protection of 2 populations of DSF. The Ontario Recovery Unit portion of the action area is largely unsurveyed for DSF and most areas of Delhi soils have been degraded and modified by decades of agricultural and dairy uses.

Agricultural and dairy uses have variously modified DSF habitat, leaving scattered or irregular stands of habitat between non-habitat areas. A site known to be occupied by DSF is just outside the northern boundary of the action area, just north of SR-60. Relatively large portions of the action area are undeveloped and are experimentally restorable to at least moderate function for DSF, but the area is quickly developing to residential, industrial, and commercial uses. Restoration of large portions of the action area to moderate or high function for DSF will be expensive and difficult due to past agricultural and dairy uses. Nevertheless, compared to the other recovery units, the action area represents some of the best remaining opportunities for DSF conservation because this area contains relatively large undeveloped areas with Delhi soils that could be conserved in a defensible reserve design. This amount of conservation is not possible elsewhere. Even medium size areas of undeveloped Delhi soils within the other recovery units are exceedingly rare; only one relatively medium-large contiguous area remains in the Colton Recovery Unit, and three medium size areas remain in the Jurupa Recovery Unit (of which development of one is imminent). Thus, relative costs of, and opportunities for restoration of the action area compared to other recovery units make the action area important for the survival and recovery of the DSF.

Rangewide, habitat assessments performed for various development projects have often misjudged the existing habitat function and future potential value for DSF. These habitat assessments are often limited in their descriptions of the range of possible landscape configurations created by disturbances. This is problematic, as these assessments often indicate that unsurveyed vineyard, disturbed, or ruderal areas with Delhi soils are not pristine, and are, thus, not DSF habitat and have no value for DSF. These assessments often do not properly take into account the continuum of habitat function (and the continuum of habitat degradation) remaining in undeveloped areas of Delhi soils, and the comparative importance of these partially degraded areas for long-term survival of DSF. Many of these sites, although degraded (i.e., disced, dumped, previously used for agriculture, etc.), have been found to be occupied by DSF. Even though these areas are not pristine, many of these sites have significant potential for DSF occupation that warrants surveys, and most have relatively high value for conservation of the species through basic conservation, as well as through enhancement, restoration, or soil salvage. The lack of surveys as a result of these habitat assessments has probably resulted in unauthorized take of DSF, and consistently leads to development without adequate offsetting conservation measures. Adequate conservation of the species requires conservation of land and habitat features, which has not been occurring concurrent with development. Degradation and development have continued within the range of DSF to the point where continued losses of occupied, unsurveyed, or restorable Delhi soil areas are untenable without significant conservation of DSF populations. If all projects occurring on Delhi soils adequately offset their losses in such a way that conservation of eight populations as outlined in the Recovery Plan would effectively occur, then some additional losses of habitat would be defensible and appropriate.

We listed the DSF as endangered on September 22, 1993, pursuant to section 4 of the Act. The DSF was listed because widespread loss and degradation of its habitat had proceeded to the point where extinction was imminent. Critical habitat for DSF has not been proposed or designated.

ENVIRONMENTAL BASELINE*Delhi Sands Flower-Loving Fly*

Though the Ontario Recovery Unit historically contained the largest block of the Colton Dunes compared to the other 2 recovery units, most of the area has been modified by agriculture or developed for commercial and residential projects. Within the Ontario Recovery Unit, Delhi soils are found primarily in the cities of Rancho Cucamonga, Ontario, and Riverside, and unincorporated areas of San Bernardino and Riverside counties. Based on museum specimens, one of the populations formerly containing the highest densities of DSF rangewide was located at Mira Loma (unincorporated portion of Riverside County) in the Ontario Recovery Unit (U.S. Fish and Wildlife Service 1997).

Restorable areas within the Ontario Recovery Unit, including the action area, excludes areas of existing residential or commercial development, or areas permanently altered by humans (i.e., covered with concrete and asphalt). Delhi soils areas with extant Colton Dunes native plants have a high potential for occupation, and can usually be effectively enhanced by removal of alien species (few areas of DSF habit are pristine and free of alien plants). Recently, some grape vineyards on Delhi soils have been found to be occupied by DSF, including ruderal areas on Delhi soils once thought to have too dense of vegetation cover for DSF occupation. Dairy areas with consistent heavy manure surface soil cover are generally thought to have less value for DSF, though these areas have shown that considerable habitat improvement through passive restoration is apparently possible in a short period of time. Vineyards and ruderal areas appear generally restorable to increased DSF habitat function, and dairy lands are probably experimentally restorable. The lack of other options and opportunities in other recovery units makes restoration of portions of the action area (including dairy lands) for conservation of the DSF a comparatively effective option.

Due to significant soil contamination associated with past livestock/dairy uses, much of the action area (excluding the Jurupa Hills) would require substantial habitat restoration for effective long-term occupation by DSF. Successful restoration of most ecosystem processes (including occupation by DSF) to a large portion of the action area would meet the Recovery Plan goal of conserving, at least, one population within the Ontario Recovery Unit.

The Jurupa Recovery Unit portion of the action area is limited to those areas proposed to be conserved as a result of the action. The proposed conservation area is within the Jurupa Hills and includes a portion of a dune of Delhi sand in a pocket formed by the surrounding hill slopes. Though the conservation area and adjacent areas were reportedly formerly used for munitions production, these areas are now largely vacant of development aside from old roadways and driveways, structure foundations, and rubble. Most of the area consists of recently burned/early successional coastal sage scrub, Delhi sand dune areas, non-native grasslands, ruderal and rubble areas, and dirt/paved road areas. The proposed conservation area includes a portion of the most important DSF population in the Jurupa Hills. The proposed conservation area has been degraded by off-road vehicles, grazing, repeated fire, and concomitant alien plants. Residential

development is planned by the landowner of the remaining half of the DSF habitat area, which is outside and to the north of the proposed conservation area. A water aqueduct easement and dirt service road splits the proposed conservation area into two parts. Little development pressure is expected in adjacent areas to the east, south, and west due to the relatively steep slopes of the surrounding Jurupa Hills.

EFFECTS OF THE ACTION

The proposed action would provide new off-ramp access to and from I-15 where none currently exists, for a relatively undeveloped portion of the San Bernardino Valley that is readily converting from agricultural and dairy activities into residential, industrial, and commercial uses, including development of substantial areas of Delhi soils. The action would relieve traffic congestion on other adjacent off-ramps on I-15 and SR-60 as well as on connected surface streets. The action would provide additional capacity to, and modify circulation patterns of the traffic system of the action area. These capacity and pattern changes would effectively relieve or lessen traffic congestion that otherwise would be substantially worse considering the growth expected and planned for action area. The action would foster conversion of lands where DSF may occur and where restoration of habitat is important for mid- and long-term survival of the species.

The direct footprint of the proposed action would cover approximately 15.4 hectares (38.5 acres). This 15.4-hectare area would be permanently affected by the associated structures and features of interchange, road, and bridge construction and ongoing maintenance. Of this footprint, 7.5 hectares (18.6 acres) are mapped Delhi soils. The Delhi soils in the project footprint include; vineyard, disced or fallow field, pasture, cropland, and dairies. The vineyards have the highest potential DSF habitat function, while the dairies have the lowest potential function. As noted generally above, all these areas of Delhi soils have considerable value for survival of the DSF. All but 0.3 hectare (0.8 acre) of Delhi soils of the project footprint would be under pavement from the proposed action, and this remaining 0.3 hectare would be maintained in non-habitat status. The direct impacts of the proposed project have been reduced through project design and alignment modification, staging area siting, and biological monitoring of construction.

In addition to direct effects of the action, we are required to analyze the entire range of potential indirect effects of the action that can be expected throughout the action area (50 CFR § 402.02 and 50 CFR § 402.14). Indirect effects are those that are caused by the action and are later in time but are reasonably certain to occur. Principal among the indirect effects of the proposed interchange construction is the change of timing in residential and commercial development that can be expected to result from the construction of the interchange.

Because traffic congestion currently is at a low (poor) level of service on the affected portions of the I-15 and SR-60 freeways, adjacent off-ramps, and associated surface streets, a lack of additional traffic capacity and restricted traffic patterns likely would limit or delay development of some portions of the action area. We cannot determine to what degree and extent portions of the action area would develop differently, more slowly, or not at all if the subject action was not

be implemented as planned and proposed. An undetermined amount of development and property speculation likely has already occurred within the Ontario portion of the action area on the expectation the proposed action would be constructed.

The proposed conservation measures, as described in the description of the proposed action, and in particular conservation of a portion of the DSF population within the Jurupa Hills, effectively offsets the direct and indirect effects of the action. Because the Jurupa Hills population is essential to the survival and recovery of the DSF, conservation of approximately 50 percent of this population is highly important. Even though development of the proposed conservation parcels is not imminent, conservation of this population including restoration, enhancement, protection, and management, contributes considerably towards assuring survival and recovery of the species.

In summary, project-induced habitat destruction and modification in the project area would substantially adversely affect the survival of DSF. Moreover, project-associated activities, as described, would result in the further fragmentation and destruction of DSF habitat and otherwise significantly affect the species. Nevertheless, we expect and conclude that the conservation of DSF proposed as part of the action effectively offsets the impact of the service area effects of the proposed project.

CUMULATIVE EFFECTS

Cumulative effects include the effects of future State, tribal, local, or private actions that are reasonably certain to occur in the action area considered in this biological opinion. Future Federal actions that are unrelated to the proposed action are not considered in this section because they require separate consultation pursuant to section 7 of the Act.

As discussed above, the action area includes approximately 3,600 hectares (9,000 acres), of which approximately 60 percent is mapped as Delhi soils and may provide habitat for the DSF. Approximately half of the action area is developed. About 40 percent or 1,500 hectares (3,600 acres) of the action area is undeveloped Delhi soils. Most of this undeveloped Delhi soil area is under dairy or agricultural uses. More than half of the remaining undeveloped Delhi soils area are expected to be developed in the next decade.

Because section 9 of the Act prohibits the take of DSF, many projects within sites occupied by DSF likely will seek incidental take authorization. The development of a habitat conservation plan (HCP) is required for the issuance of an incidental take permit for non-Federal actions that would allow DSF to be taken outside of the conservation areas established pursuant to the terms and conditions outlined in an acceptable HCP and its accompanying implementing agreement. To date, we have approved three DSF HCPs within the Colton Recovery Unit and are processing/reviewing three other HCPs for the species. The declining status of DSF makes permit approval for losses of DSF problematic. Though we expect that section 10 permits authorized for take of DSF will help contribute to conservation of the species, future non-Federal projects within the action area are expected to result in substantial cumulative effects to DSF.

Development of unoccupied Delhi soils and unsurveyed habitat will continue without restoration and conservation onsite and/or offsite. Conservation of only occupied sites is insufficient to maintain the viability of the species, even over the next few years. As outlined above, restoration of a significant portion of these unoccupied areas in the action area is necessary for long-term survival of DSF. The unmitigated loss of these unoccupied Delhi soils is a significant impact and a substantial cumulative effect, despite the absence of direct take of DSF. Mitigation measures for development of unoccupied Delhi soils may be required by local jurisdictions under the California Environmental Quality Act. Timely regional planning could offset many of these losses, but to date, no regional or subregional plans are completed and in place. Nonetheless, we are working with the County of Riverside on development of regional multiple species habitat conservation plan that would include the DSF. In addition, we are working with County of San Bernardino and the cities of Ontario, Fontana, Rancho Cucamonga, Colton, and Rialto on a subregional Colton Dune ecosystem HCP.

Unauthorized take of DSF has probably occurred and is expected to continue throughout the range of the species via trash dumping, dairy manure spreading, off-road vehicle activities, construction and maintenance activities, weed abatement actions, and other activities. These losses are significant because the distribution of DSF is severely restricted, extant habitat is very rare, populations numbers are too low to assure survival over the next few years, and degraded function of DSF habitat. Where development projects within the range of DSF were expected to result in unauthorized take, the Service has pursued appropriate enforcement action. Moreover, because vineyards and other disturbed lands may be occupied by DSF, we now recommend focused surveys for DSF in areas of degraded but potentially occupied habitat. Nonetheless, we expect that local jurisdictions will continue to approve projects within unsurveyed areas of partially degraded habitat that may be occupied by DSF.

Actions that typically do not require incidental take authorization but likely adversely affect the species will also continue. Development within the sand transport corridors between the mountains and the San Bernardino Valley will continue, potentially reducing the quantity of sand moved through the valley that maintains the aeolian system the DSF depends upon. Though development in unoccupied areas adjacent to occupied sites likely does not require incidental take authorization, such development fragments remaining DSF habitat and increases adverse edge effects.

Given the history of land use in the action area, these land use activities are likely to continue resulting in considerable cumulative effects to the species. Agricultural and dairy activities will continue to degrade habitat and preclude habitat passive restoration, but more importantly development will continue to eliminate potential and restorable habitat.

Nevertheless, we expect that the conservation of no less than 30 acres of dune habitat and addressing sand management of the conservation area proposed as part of the action, is important for the long-term survival of the species. The conservation area will preserve a portion of one DSF population within the Jurupa Recovery Unit and contribute to the goals of the Recovery

Plan. The effects of the proposed project will be minimized and offset by the implementation of the conservation measures and permanent protection and management of the conservation area.

CONCLUSION

After reviewing the current status of the DSF, the environmental baseline for the action area, the effects of the proposed projects and the cumulative effects, it is our biological opinion that the action, as proposed, is not likely to jeopardize the continued existence of the DSF. Because critical habitat has not been proposed or designated for this species, no critical habitat will be destroyed or adversely modified.

We base this conclusion on the following reason and considerations; the proposed conservation and management measures will minimize and offset the indirect and cumulative effects of the proposed action.

INCIDENTAL TAKE STATEMENT

Section 9 of the Act and Federal regulation pursuant to section 4(d) of the Act prohibit the take of endangered and threatened species, respectively, without special exemption. Take is defined as to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect, or to attempt to engage in any such conduct. Harm is further defined by the Service to include significant habitat modification or degradation that results in death or injury to listed species by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering. Harass is defined by the Service as intentional or negligent actions that create the likelihood of injury to listed species to such an extent as to significantly disrupt normal behavior patterns which include, but are not limited to, breeding, feeding, or sheltering. Incidental take is defined as take that is incidental to, and not the purpose of, the carrying out of an otherwise lawful activity. Under the terms of section 7(b)(4) and section 7(o)(2), taking that is incidental to and not intended as part of the agency action is not considered to be prohibited taking under the Act provided that such taking is in compliance with the terms and conditions of this Incidental Take Statement.

The measures described below are nondiscretionary, and must be undertaken by the FHWA so that they become binding conditions of any grant, permit, or funding provision issued to the County of Riverside or Caltrans, as appropriate, for the exemption in section 7(o)(2) to apply. The FHWA has a continuing duty to regulate the activity covered by this incidental take statement. If the FHWA (1) fails to assume and implement the terms and conditions or (2) fails to require the County of Riverside or Caltrans to adhere to the terms and conditions of the incidental take statement through enforceable terms that are added to the permit or grant document, the protective coverage of section 7(o)(2) may lapse. To monitor the impact of incidental take, the FHWA, the County of Riverside, and/or Caltrans must report the progress of the action and its impact on the species to this office as specified in the incidental take statement (50 CFR §402.14(I)(3)).

AMOUNT OR EXTENT OF TAKE

We anticipate that the following take could occur as a result of the proposed action over the life of the project:

1. The harm of all DSF that may be present in the identified construction project footprint of 15.4 hectares (38.5 acres), with direct disturbance to 7.5 hectares (18.6 acres) of Delhi soils within that footprint.
2. The harm or harassment of an undetermined number of DSF associated with conservation activities identified herein, or subsequently authorized by the Service in writing, within the conservation area identified in the description of the action. This take includes possible activities to benefit DSF such as salvaged sand placement, fencing, weeding, native plant restoration, rubble and trash removal, contaminants removal and remedial actions, asphalt and concrete removal, such that no more than 2 hectares (5 acres) of the Delhi soils portion of the conservation area are disturbed by any combination of activities in any 5-year period.

EFFECT OF THE TAKE

In the accompanying biological opinion, we determined that this level of anticipated take is not likely to result in jeopardy to the species or destruction or adverse modification of critical habitat.

REASONABLE AND PRUDENT MEASURES

We believe the following reasonable and prudent measures are necessary and appropriate to minimize take of DSF:

1. The FHWA shall minimize impacts to the DSF, shall educate all construction, restoration, and operation project personnel about the biological restrictions and liabilities associated with this action, and shall clearly mark and monitor project boundaries in the field. FHWA shall grant the Service the right to access project affected areas to monitor potential effects to DSF.
2. The FHWA shall modify project activities to avoid or minimize the degradation or destruction of DSF habitat in the project action area by reducing project-related losses of habitat values and ensuring losses are temporary. Project conservation measures shall be modified such that short- and long-term adverse effects to DSF are minimized.

TERMS AND CONDITIONS

To be exempt from the prohibitions of section 9 of the Act, the FHWA, Caltrans, and County, must comply with the following terms and conditions, which implement the reasonable and

prudent measures described above and outline required reporting/monitoring requirements. These terms and conditions are nondiscretionary.

- 1.1 The FHWA, Caltrans, County, and their agents shall implement all measures described above in the Description of the Action, except as modified below.
- 1.2 The FHWA, Caltrans, County, and their agents shall inform all employees, agents, or lessees involved in the implementation of the proposed project of a) the sensitivity of the habitat and restoration areas, and the associated federally listed species; and b) the content of this biological opinion, and special permit conditions or terms and conditions delineated herein.
- 1.3 The FHWA, Caltrans, County, and their agents shall ensure that a DSF-permitted biologist will field check all areas potentially affected by construction activities outside of the herein identified project footprint (e.g., staging areas), to identify Delhi soils potentially incorrectly mapped by past soils mapping efforts. Because the soils mapping efforts are somewhat general in nature, construction activities may result in "take" that was not anticipated or accommodated herein. The FHWA, Caltrans, County, and their agents shall ensure that project associated personnel will strictly limit their activities, vehicles, equipment, and construction materials to areas of non-Delhi soils when outside of the identified project footprint.
- 1.4 The FHWA, Caltrans, County, and their agents shall provide keys to any locks placed on fences, steel ropes, or other structures in or adjacent to proposed conservation area and their environs to the Service to facilitate site inspections and the management and monitoring of protected and listed species.
- 1.5 The FHWA, Caltrans, County, and their agents shall ensure that the 75-hectare (186-acre) conservation area, as proposed, will be acquired and protected by conservation easement or deed restriction, with wording reviewed and approved by the Service, before initiation of construction activities, including grading. FHWA and its agents, including Caltrans and the County, shall ensure that the proposed conservation area is not used for any purpose that would change or otherwise interfere with its value as wildlife habitat. FHWA and its agents, including Caltrans and the County, shall provide a title report on the proposed conservation area parcels to us within 45 days of the date of this biological opinion.
- 1.6 The FHWA, Caltrans, County, and their agents shall ensure that the Service retains the right to access and inspect the project site and restoration/enhancement areas for compliance with the proposed project description and with the terms and conditions of this biological opinion.

- 2.1 The FHWA, Caltrans, and County shall propose a remedial action schedule following the completion of the remedial investigation/feasibility study for restoration, and submit the schedule to the Service and environmental regulatory agencies for comment and approval.
- 2.2 The FHWA, Caltrans, County, and their agents shall provide a restoration and management plan, described in the proposed action, to the Service for review. This plan shall be approved by the Service before initiation of grading. The plan will be focused on conservation of the Colton dunes ecosystem, DSF habitat, and appropriate buffers, found within the proposed conservation area. The objectives of the restoration and management plan is to maintain a viable population of DSF in the Colton Dune ecosystem. This objective will necessitate consideration of the ecosystem and other species that are dependent on the Colton Dune habitat. The plan will include a detail schedule and provide direction in the long-term. The plan shall be implemented immediately after completion of any necessary contaminants remedial actions or if there are no necessary remedial actions, then within 6 months of grading.
- 2.3 The FHWA, Caltrans, County, and their agents shall perform a PAR or similar analysis for the DSF portion and buffer of the proposed conservation area, for review and approval of the Service. A PAR is a program developed by the Center for Natural Lands Management for creation of perpetual stewardship programs and budgets for capital/initial requirements and endowment costing for biological resource conservation. The PAR for this action will include conservation activities and measures needed initially and in the long-term for restoration, management, protection, monitoring, and reporting of the proposed conservation area as detailed in the restoration and management plan. FHWA and its agents, including Caltrans and the County, shall provide the initial, capital, and endowment funds necessary to perform the program outlined in the PAR and restoration and management plan before initiation of grading.
- 2.4 The FHWA, Caltrans, County, and their agents shall select a land manager for the proposed conservation area for review and approval of the Service, and shall manage the proposed conservation area until a land manager is approved by the Service and in place.
- 2.5 The FHWA, Caltrans, County, and their agents shall not erect any permanent or temporary structure, other than signage, fencing or other barriers in the proposed conservation area nor artificially light these areas without the approval of the Service.

We believe that an undetermined number of DSF will be incidentally taken as a result of the proposed action, though take is limited by restrictions on the amount of habitat (i.e., acreage of Delhi soils) that can be disrupted by the action. The reasonable and prudent measures, with their implementing terms and conditions, are designed to minimize the impact of incidental take that might otherwise result from the proposed action. All preceding terms and conditions shall be entered as a special permit condition or conditions for any and all FHWA permits or other authorizations pertaining to the proposed project. As the Federal action agency, the FHWA is ultimately responsible for the implementation of all preceding terms and conditions in the event

of the financial or institutional incapacity of the Caltrans, County of Riverside, or their agents to perform them. If, during the course of the action, this level of incidental take is exceeded (i.e., if the acreage limits of Delhi soils are exceeded) or if DSF is taken in a manner not authorized above, such incidental take represents new information requiring reinitiation of consultation and review of the reasonable and prudent measures provided. In addition, the FHWA, Caltrans, County, and their agents, must cease the activity resulting in take and shall provide an explanation of the causes of the taking and review with the Service the need for possible modification of the reasonable and prudent measures.

CONSERVATION RECOMMENDATIONS

Section 7(a)(1) of the Act directs Federal agencies to utilize their authorities to further the purposes of the Act by carrying out conservation programs for the benefit of endangered and threatened species. The term "conservation recommendations" has been defined as Service suggestions regarding discretionary agency activities to minimize or avoid adverse effects of a proposed action on listed species or critical habitat or regarding the development of information. The recommendations provided here relate only to the proposed action and do not necessarily represent complete fulfillment of the FHWA section 7(a)(1) responsibility for this species.

1. The FHWA and Caltrans should acquire and conserve the unprotected remainder of the Jurupa Hills DSF population within San Bernardino County, the "Southridge" site, adjacent to and north of the proposed conservation site.
2. The FHWA and Caltrans, in coordination with the County, should develop a listed species outreach and information clearinghouse program for Riverside County. This program would endeavor to effectively disseminate information on listed species natural history and locations of potential habitat to agencies, developers, permit applicants, as well as the general public.
3. The FHWA and Caltrans, in coordination with the County, should develop a Delhi soil salvage program. This program would endeavor to salvage this finite resource, so that approved construction projects within the range of DSF will have a significant portion of their Delhi soils salvaged before construction activities, and then have it stockpiled and placed within conservation areas for the benefit of DSF.
4. The FHWA and Caltrans, in coordination with the County, should salvage uncontaminated/ invasive-species-free Delhi soils from within the construction project footprint to maximum extent practicable. Salvaged Delhi soils should be placed at the upwind edge of the proposed conservation area in appropriate areas as directed by the Service. Rubble removal from the upwind portion of the proposed conservation areas should occur prior to Delhi soil placement as necessary and possible pending the outcome of the contaminants assessment and surveys.

5. The FHWA and Caltrans, in coordination with the County, should give the Service right of first refusal for relocating any burrowing owls in the San Bernardino Valley, including any burrowing owls potentially affected within the footprint of the subject action. Our office has developed receiving sites for burrowing owls in southern California that apparently have a greater chance for successful long-term relocation and recruitment, based on the semi-colonial nature of this species, than other sites where solitary pairs or individuals are released. The Service contact person for this effort is Clark Winchell at (760) 431-9440.
6. The FHWA and Caltrans, in coordination with the County, should remove and eliminate all invasive alien plants from all right-of-ways, easements, and fee title areas. Such species include: Russian thistle (*Salsola tragus*), mustard (*Brassica tournefortii* and *B. nigra*), myoporum (*Myoporum laetum*), star-thistle (*Centaurea* sp.), sweet-fennel (*Foeniculum vulgare*), pampas grass (*Cortaderia jubata* and *C. selloana*), fountain grass (*Pennisetum setaceum*), non-native grasses (*Bromus*, *Avena*, *Ammophila*, etc.), giant reed grass (*Arundo donax*), castor bean (*Ricinus communis*), Australian saltbush (*Atriplex semibaccata*), artichoke thistle (*Cynara cardunculus*), tamarisk (*Tamarix* sp.), periwinkle (*Vinca major*), Tasmanian blue gum (*Eucalyptus globulus*), Peruvian pepper (*Schinus molle*), and ice-plant (*Carpobrotus edulis*). These escaped aliens drastically degrade ecosystem functions for listed species and are increasing in range and cover throughout the area. Many of these species are currently found planted or established within Caltrans and County rights-of-ways.
7. The FHWA and Caltrans, in coordination with the County, should landscape all highway projects with species native to the specific region. Landscaping only with native species would provide habitat and wildlife movement corridor values, conserve water, and set excellent precedent for other public agencies. The FHWA's *Roadside Use of Native Plants*, a handbook that provides state by state references in the use of native plants and how they can be used to benefit highway projects, is an excellent start towards this effort.
8. The FHWA and Caltrans should initiate a programmatic consultation on maintenance projects to provide coverage for regular expected activities. This programmatic consultation would provide authorization for periodic maintenance and construction disturbance of existing and newly created habitat areas within rights-of-ways. This programmatic consultation would provide the incentive for creating habitat by landscaping with native plant species, without the disincentive of potentially increased regulatory burden. We are willing to assist FHWA and Caltrans in implementation of this programmatic consultation and development of native planting palettes for specific projects.
9. The FHWA and Caltrans, in coordination with the County, should fund and assist invasive alien plant control activities, including assisting such groups as Team Arundo and providing funding for biological control development for invading escaped exotic species. For example, Cornell University (contact Dr. Bernd Blossey (607) 255-5314) is

developing a biological control program for giant reed grass that needs funding. FHWA and Caltrans should review all maintenance and construction programs to ensure invasive plants are not indirectly propagated through associated activities. For example, review of all borrow sites to ensure pre-eradication of invasive species from borrow area, soil seed-bank, and equipment prior to movement of materials.

10. The FHWA and Caltrans, in coordination with the County, should assess the efficacy of various road design features for restricting, facilitating, or enhancing wildlife movement with our assistance. Wildlife movement corridor functionality in relation to existing designs for bridges, culverts, fencing, landscaping, nighttime lighting, and road crossings, should be evaluated throughout southern California. The importance of habitat fragmentation and road-kill caused by roadways should be assessed from an ecosystem perspective. The FHWA and Caltrans, in coordination with the County, should endeavor to minimize habitat fragmentation by maintenance of ecosystem connectivity through updated standard design considerations that maintain linkages between core areas across roadway features.
11. The FHWA and Caltrans, in coordination with the County, should review all programs for modifications that would lead to a decrease in polluted run-off from highways and for reductions of pollutant levels reaching receiving waters. For example, Japan has extensive programs to reduce and control private vehicle fluid leaks in order to protect receiving waters. Additionally, biological treatment of highway run-off should be a standard feature of highway design to improve the water quality of run-off before it enters receiving waters.
12. The FHWA and Caltrans, in coordination with the County, should work with CDFG, Service, and other State and Federal agencies to develop and implement resource conservation agreements. Such agreements are incentive-based contracts that provide private landowners compensation for conserving and managing wildlife habitat. This action would establish a commodity status for sensitive species habitat that supports wildlife and other ecological functions on privately owned lands as a effective approach to conserving wildlife and controlling urban sprawl without acquiring fee-title. This approach requires an active partnership between landowners, local, State, and Federal agencies in which the landowner is compensated through tax relief or direct payments for implementing an approved management plan under a resource conservation agreement. This approach should be dovetailed with traditional fee-title public acquisition and management of conservation lands, and combined with regional planning efforts currently underway.
13. The FHWA and Caltrans, in coordination with the County, should work with other agencies to advocate and plan for mixed-usage developments within existing and newly developing areas. Mixed usage development is successful in effectively creating viable walking neighborhoods with high property value and improved human quality of live. Mixed usage urban areas will reduce commuter trips and miles, alleviate reliance on and

costs of vehicle transportation infrastructure, abbreviate urban sprawl, and ultimately decrease pressure on open space areas needed for ecological conservation.

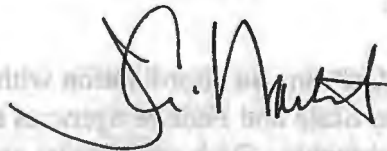
In order for our office to be kept informed of actions that either minimize or avoid adverse effects or that benefit listed species or their habitats, we request notification of the implementation of any conservation recommendations.

REINITIATION NOTICE

This concludes formal consultation on the proposed Galena Street/Interstate 15 Interchange Project in Riverside County, California. As provided in 50 CFR §402.16, reinitiation of formal consultation is required where discretionary Federal agency involvement or control over the action has been retained (or is authorized by law) and if: (1) the amount or extent of incidental take is exceeded; (2) new information reveals effects of the agency action that may affect listed species or critical habitat in a manner or to an extent not considered in this opinion; (3) the agency action is subsequently modified in a manner that causes an effect to the listed species or critical habitat not considered in this opinion; or (4) a new species is listed or critical habitat designated that may be affected by the action. In instances where the amount or extent of incidental take is exceeded, any operations causing such take must cease pending reinitiation.

If you have any questions or comments, please contact Mary Beth Woulfe of this office at (760) 431-9440.

Sincerely,



Jim A. Bartel
Assistant Field Supervisor

cc: Paul Gonzales, California Department of Transportation
Laurie Dobson, County of Riverside Transportation Department
Congressman Ken Calvert (Attn: Linda Fisher)

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ENVIRONMENTAL INDEMNITY AGREEMENT

This Environmental Indemnity Agreement (this "Agreement") is made as of the 4th day of October, 2001 ("Effective Date") by TDY INDUSTRIES, INC., a California corporation formerly known as TELEDYNE INDUSTRIES, INC., a California corporation (hereinafter referred to as "Indemnitor" or "Seller") and THE TRUST FOR PUBLIC LAND, a California non-profit public benefit corporation (hereinafter referred to as "Buyer"), on Buyer's behalf and on behalf of its successors and assigns owning a fee interest in the Property, as defined below, from time to time, including, without limitation, the County of Riverside, California (the "County"), any and all affiliated entities, employees, board members, officers, trustees and agents of any of the foregoing from time to time (collectively, referred to as "Indemnitees").

RECITALS

WHEREAS, Indemnitor, as seller, has heretofore entered into an Agreement of Purchase and Sale dated May 1, 2000, with Buyer (the "Purchase Agreement"), pursuant to which Indemnitor has agreed to sell to Buyer and Buyer has agreed to buy from Indemnitor, upon the satisfaction of certain conditions, certain real property located in Riverside County more particularly described on Exhibit A hereto (the "Property");

WHEREAS, pursuant to Paragraph 6.6 of the Purchase Agreement, Buyer and Seller agreed to enter into an Environmental Indemnification Agreement with respect to the Property;

WHEREAS, Indemnitor and Buyer acknowledge that there may exist on and under the Property certain environmentally hazardous conditions and/or substances, including, without limitation, soil and groundwater contamination; and

WHEREAS, as a condition precedent to Buyer's purchase of the Property, Buyer is requiring that Indemnitor indemnify the Indemnitees as to the environmentally hazardous substances and conditions on and beneath the Property with the exception of Hazardous Substances (as defined below in Section 4) unknown to Seller that have migrated or may migrate onto the Property.

THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Indemnitor and Buyer agree as follows:

1. Current and Prior Use of Property. The Property is currently unoccupied; however, a predecessor in interest of Indemnitor used the Property as a manufacturing facility for munitions and light armament. Indemnitor acknowledges that it has no knowledge of any adverse environmental condition on the Property or whether any mitigation effort has been made or

whether any remedial action has been taken with respect to the environmental condition of the Property.

2. Contamination. Seller has informed Buyer that subsurface contamination and other hazardous conditions of the Property may exist on or under the Property due to its former use as a munitions and light armament plant. A Phase I Environmental Site Assessment and Geophysical Survey" dated October 31, 2000 and February 2001 was prepared by Snyder Consulting and reviewed by Seller and Buyer. As described in Section 3 below, the Property is being sold to Buyer subject to the Restrictive Covenant (as defined in paragraph 3 below). As a condition precedent to Buyer's purchase of the Property, Seller has agreed to provide this indemnity covering all Hazardous Substances and conditions on and beneath the Property, including, without limitation, Hazardous Substances in the soils, sediments and groundwater subject to the exceptions stated elsewhere in this Agreement and to the extent such Hazardous Substances were on or under the Property prior to the Close of Escrow.

3. Restriction Upon Conveyance. Pursuant to Paragraph 3.3 of the Purchase Agreement, Indemnitor is conveying the Property to Buyer subject to a restrictive covenant restricting the future use of the Property and/or the demolition and construction of improvements on the Property, and any other work or use of the Property which may affect the soils, sediments and water contained on or under the Property ("Restrictive Covenant"). Such Restrictive Covenant will run with the land and will be binding on Buyer and successor owners of the Property.

4. Definitions.

(a) "Claim" means any and all claims, demands, causes of action, loss, liability, liens, encumbrances, obligations, actions, causes of action, reasonable costs and expenses of any kind whatsoever, including, without limitation, reasonable attorneys' and other professional expenses and fees suffered or incurred by, or asserted against, Indemnitees as a result of any Hazardous Substance existing on or beneath the Property prior to Close of Escrow (as defined in the Purchase Agreement), except for unknown Hazardous Substances which have migrated or may migrate onto the Property from other properties ("Non-Site Related Hazardous Substances"). Claims pertaining to Non-Site Related Hazardous Substances are not covered under this Agreement.

(b) "Environmental Law" means any Law of the United States or of the State of California relating to the protection of the air, surface water, groundwater or land, and/or governing the handling, use, generation, treatment, storage or disposal of Hazardous Substances.

(c) "Hazardous Substances" means any chemical, substance, material, controlled substance, object, waste, or combination thereof, or condition which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity or carcinogenicity, mutagenicity, phytotoxicity, infectiousness, or other harmful or potentially harmful properties or effects, including, without limitation, petroleum hydrocarbons, petroleum products, and all chemicals, substances, materials, controlled substances, or objects defined or regulated under any state, federal or local law or regulation based on such properties or effects, but excluding Non-Site Related Hazardous Substances.

5. Indemnity.

(a) Indemnitor hereby agrees to indemnify, hold harmless, protect and defend Indemnitees from and against any and all Claims which arise from, relate to or concern, in whole or in part, the existence of Hazardous Substances or conditions on or under the Property or migrating from the Property or released or abandoned on or at the Property, subject to the terms and conditions of this Agreement. Indemnitor hereby also agrees to indemnify, hold harmless, protect and defend Indemnitees from and against any all Claims and damages which arise from, relate to, or concern, in whole or in part, conditions created by or arising from Indemnitor's performance of its obligations hereunder, including, without limitation, any investigation, remediation, sampling or monitoring required to be performed under this Agreement.

(b) Indemnitor shall not have any obligation to indemnify Indemnitees from and against any Claim related to, concerning or arising from (i) a use of the Property inconsistent with the Restrictive Covenant; (ii) the placement of a Hazardous Substance on or beneath the Property or a violation of an Environmental Law by Indemnitees, their agents, employees, contractors or representatives after Close of Escrow or any third party other than Indemnitor or its agents, employees, contractors or representatives; (iii) environmental remediation activities or other environmental testing, sampling or monitoring activities unless (A) required by a Governmental Entity or (B) reasonably conducted in response to a Claim, after notice of such activities to Indemnitor; or (iv) the gross negligence of Indemnitor, its employees, contractors, representatives or agents to further cause or exacerbate a known leak, migration or release of any Hazardous Substance at the Property.

For purposes of this Agreement, the burden shall be on Indemnitor to prove in a court of competent jurisdiction that one or more of conditions in paragraphs (b) above are met.

(c) Indemnitor's obligation to indemnify, defend or hold Indemnitees harmless with respect to any Claims under this Agreement shall terminate concurrently with the termination of the Restrictive Covenant. Upon the termination of such obligation, except with respect to any claims written notice of which were delivered to Indemnitor prior to such expiration, the rights of Indemnitees with respect to any environmental condition at, on or relating to the Property shall be deemed of no further force or effect and no action may be brought thereafter against Indemnitor or Indemnitor's parent, employees, directors, officers, shareholders, agents or affiliates with respect to any environmental condition.

6. Claims Procedure.

(a) In the event any Claim is asserted (clean-up or otherwise) or instituted against any or all of the Indemnitees, Indemnitor shall, immediately upon receipt of notice of such Claim, assume and pay for the defense of Indemnitees. Indemnitees shall have the right to join and participate in any judicial or administrative proceedings and/or hearings initiated in connection therewith, and Indemnitees shall cooperate fully with Indemnitor in order to minimize the amount of any award to any such party; such participation and cooperation by Indemnitees shall not, however, in any way, diminish or reduce Indemnitor's obligations to Indemnitees as set forth herein. Indemnitor's obligations hereunder are conditioned upon Indemnitees providing (i) prompt written notice to

Indemnitor with respect to any Claim which Indemnitees have reason to believe is likely to give rise to a right of indemnity hereunder and specifying the same in reasonable detail, (ii) copies of any actual written communication regarding the Claim, and (iii) copies of any technical reports or test or other analytical results regarding the Claim. Indemnitees' failure to give prompt notice of a Claim shall not however diminish Indemnitor's obligations hereunder; rather, Indemnitor's obligations shall terminate only to the extent Indemnitor is actually prejudiced by such delayed notice. Indemnitor shall use reasonable judgment in selecting counsel to defend Indemnitees from any Claim covered hereunder and shall consult with Indemnitees prior to retaining Indemnitees' counsel. Should Indemnitees object to the Indemnitors' choice of counsel, Indemnitor shall select another counsel satisfactory to Indemnitees to represent Indemnitees. If the Claim is ultimately determined to be related to, concerning or arising from one or more of the conditions in paragraph 5(b) for which Indemnitor has no indemnity obligation, or to Non-Site Related Hazardous Substances, then Indemnitee shall immediately reimburse Indemnitor for costs actually incurred by Indemnitor on behalf of defense of Indemnitees.

(b) Indemnitor shall have the right to control and investigate and/or remediate any condition giving rise to a Claim or demand for indemnification by Indemnitees under this Agreement with respect to any Claim after consulting with Indemnitees and any involved regulatory agency and obtaining the written consent of both; provided, however, that if, after written notice and a reasonable opportunity to cure, Indemnitor does not exercise such right, Indemnitees may exercise such right and all reasonable expenses, costs and fees incurred in connection therewith shall be reimbursed to Indemnitees as an indemnified Claim hereunder.

(c) Indemnitees shall give prompt written notice to Indemnitor specifying in reasonable detail any report or other document submitted, whether voluntarily or by requirement of a government entity, to a government entity which describes any environmental condition of the Property. To the extent reasonably possible under the circumstances, Indemnitor shall have the right to review and comment upon any submission to a governmental entity which describes or addresses any environmental condition for which Indemnitees are claiming indemnification from Indemnitor hereunder (and Indemnitor will cooperate with Indemnitees in responding to such requests, including making available all relevant records in its possession or under its control), and Indemnitees shall revise such submission in accordance with Indemnitor's reasonable comments thereon. To the extent reasonably possible under the circumstances, Indemnitees shall give Indemnitor prompt written notice of, and Indemnitor and/or its representatives shall have the right to participate in, any meetings with any governmental entity at which any environmental condition for which Indemnitees are claiming indemnification from Indemnitor hereunder is to be discussed or addressed in any manner.

(d) Any and all reasonable costs, expenses and fees incurred by Indemnitees in connection with Indemnitees' participation in or cooperation with Indemnitor's performance of its obligations hereunder shall be reimbursed by Indemnitor as an indemnified Claim hereunder.

7. Post-Closing Cooperation Between Indemnitor and Indemnitees.

Indemnitees shall provide Indemnitor with access to the Property to the extent necessary to perform its obligations hereunder. Indemnitees shall also provide Indemnitor with access to the Property sufficient to conduct any tests and assessments regarding the condition of the Property after obtaining Indemnitees' prior approval of Indemnitor's proposed scope of work. Such approval shall be reasonably granted if such test and assessments are necessary for the performance of Indemnitor's obligations hereunder. All other access requested by Indemnitor shall be granted or denied in Indemnitees' sole discretion. Indemnitor shall make reasonable efforts to minimize any such disruption or interference. Upon completion of Indemnitor's work hereunder, Indemnitor shall, at its sole expense, restore the Property to the condition it was in prior to the commencement of such work.

8. Intentionally Omitted.

9. Miscellaneous.

(a) Assignability. This Agreement shall be binding upon and inure to the benefit of the Indemnitees and their respective heirs, estates, personal representatives, successors and assigns owning a fee interest in the Property. Indemnitor acknowledges that the Indemnitees, as intended beneficiaries, including third party beneficiaries, have acquired or will acquire interests in the Property, or rights to the Property, in reliance on the covenants and indemnities in this Agreement. All of the covenants and indemnities in this Agreement shall survive the transfer of any or all right, title and interest in and to the Property by Indemnitor or any Indemnatee; and any Indemnatee may enforce the terms of this Agreement as a third party beneficiary, even if not a signatory hereof.

(b) Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties as to the matters described herein and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled, and are of no further force or effect. This Agreement does not, however, supersede, terminate or cancel any provisions in the Purchase Agreement which were to survive the Close of Escrow or the Restrictive Covenant which runs with the land. The expiration of Buyer's indemnification rights under Section 10 of the Purchase Agreement or Buyer's enforcement of any of its rights or remedies under the Purchase Agreement shall not in any way affect or diminish Indemnitor's obligations hereunder nor shall such expiration or enforcement be deemed to constitute a release or waiver of any of Indemnitees' rights and remedies hereunder.

(c) Exclusive Remedy. The indemnification provisions contained in this Agreement will constitute the sole and exclusive recourse and remedy of the parties with respect to Claims. This Agreement does not release Indemnitor from any Claims pertaining to Non-Site Related Hazardous Substances that Indemnitees may have nor limit those remedies otherwise available to Indemnitees under law, including rights of action under the Comprehensive Environmental Response compensation and Liability Act (CERCLA) and/or similar federal or state environmental laws or under common law. This Agreement also does not release Indemnitor from any rights or remedies Buyer may otherwise have under the Purchase Agreement. This Agreement does not release or waive claims that either or both of Indemnitor or Indemnatee may have against any

person or entity not a party to this Agreement, nor limit remedies at law or in equity, including rights of action under CERCLA and/or similar federal or state environmental laws or under common law otherwise available to the Indemnitor or Indemnatee against any person or entity not a party to this Agreement.

(e) Amendments. This Agreement may not be modified or amended except by a writing signed by the party against whom enforcement is sought.

(f) Applicable Law. This Agreement shall in all respects be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within this State, except that this Agreement shall be construed as a whole in accordance with the fair meaning of its provisions and without regard to California Civil Code Section 1654 or similar statutes or rules of interpretation.

(g) Severability. Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation as to which the parties have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

(h) Attorneys' Fees. Should any party hereto commence any action or proceeding to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision of this Agreement or for declaratory relief, the prevailing party shall be entitled to recover from the losing party or parties such amount as the court may adjudge to be reasonable attorneys' fees for services rendered to the prevailing party in such action or proceeding.

(i) Separate Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original, such counterparts shall, together, constitute and be one and the same instrument.

(j) Exhibit to Restrictive Covenant. This Agreement shall be attached to the Restrictive Covenant and shall be recorded as a part thereof running with the land.

(k) Notices. Any notice to be given hereunder to either party shall be deemed given or delivered upon personal delivery to the recipient or two days after deposit in the United States mail, registered or certified return receipt requested, postage prepaid and addressed as follows:

If to Indemnitor:

Jon D. Walton
Senior Vice President, Chief Legal and Administrative Officer
Allegheny Technologies Incorporated
1000 Six PPG Place
Pittsburgh, PA 15222
Tel: (412) 394-2836 Fax: (412) 394-3010

Copy to:

William Suits
Jones Lang LaSalle Americas
1025 West 190th Street, Suite 425
Gardena, CA 90248
Tel: (310) 354-2662 Fax: (310) 354-2664

If to Buyer:

The Trust for Public Land
Attn.: Michele Clark, Esq.
116 New Montgomery, 3rd floor
San Francisco, CA 94105

If to the current Indemnitees:

The Trust for Public Land
116 New Montgomery, 3rd floor
San Francisco, CA 94105

If to County of Riverside:

County of Riverside
Transportation and Land Management Agency
4080 Lemon Street, 8th Floor
Riverside, CA 92501

With copy to:

County of Riverside
Office of County Counsel
3535 10th Street, Suite 300
Riverside, CA 92501

Any party may, by notice to the others, designate different addresses which shall be substituted for the one specified above. Notice given in a manner other than specified above shall be deemed given only if in writing and only upon actual receipt by the addressee.

(l) Captions, Number and Gender. The captions appearing at the commencement of the paragraphs, subparagraphs and sections hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the article, paragraph or subparagraphs at the head of which it appears, the article, paragraph or subparagraph and not the caption shall control and govern the construction of this Agreement. In this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so requires.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

INDEMNITOR:

BUYER:

TDY INDUSTRIES, INC., a California
Corporation
Formerly known as TELEDYNE
INDUSTRIES, INC., a California
Corporation

THE TRUST FOR PUBLIC LAND, a
California nonprofit public benefit
corporation

By: [Signature]
Title: Sr. Vice President - Chief
Legal and Administrative Officer
Date: October 4, 2001

By: [Signature]
Michele Clark
Regional Counsel
Date: September 28, 2001

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

GOVERNMENT LOTS 3, 4, 8 AND 9 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 1, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPTING THAT PORTION LYING WITH THE AREA CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BY DEED RECORDED IN BOOK 268 PAGE(S) 488 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS THAT PORTION OF GOVERNMENT LOTS 3 AND 8 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 1, WHICH IS INCLUDED IN A STRIP OF LAND 200.00 FEET IN WIDTH LYING 100.00 FEET MEASURED AT RIGHT ANGLES ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE AND EXTENSION THEREOF;

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION 1, DISTANT THEREON 1959.18 FEET EASTERLY FROM THE NORTHWEST CORNER OF SAID SECTION 1;

THENCE SOUTH 8° 47' 39" WEST, DISTANT 457.81 FEET TO AN ANGLE POINT;

THENCE SOUTH 1° 24' 37" WEST, A DISTANCE OF 496.65 FEET TO AN ANGLE POINT;

THENCE SOUTH 4° 32' 51" EAST, 1722.25 FEET, MORE OR LESS TO A POINT IN THE SOUTH LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 1, DISTANT THEREON 614.86 FEET WESTERLY FROM THE CENTER OF SAID SECTION 1;

ALSO EXCEPTING THEREFROM THE GAS, OIL AND COAL RIGHTS IN AND TO THE PROPERTY ACQUIRED BY DEED FROM SAN PEDRO, LOS ANGELES AND SALT LAKE RAILROAD.

PARCEL 2:

THAT CERTAIN PARCEL OF REAL PROPERTY LOCATED IN THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THE WESTERLY 800.00 FEET OF THE NORTHEAST QUARTER OF SECTION 1; SAVING AND EXCEPTING THE SOUTHERLY 568.09 FEET OF SAID WESTERLY 800.00 FEET AND GOVERNMENT LOT 7 LYING ADJACENT TO THE NORTHERLY BOUNDARY OF SAID SECTION 1 AND WITHIN SAID WESTERLY 800.00 FEET;

TOGETHER WITH A RIGHT-OF-WAY FOR ROAD PURPOSES MEETING RIVERSIDE COUNTY SPECIFICATIONS IN WIDTH, ALONG THE LINE OF THE PRESENTLY EXISTING AEROJET GENERAL CORPORATION ROADWAY.

PARCEL 3:

A RIGHT OF WAY FOR ROAD PURPOSES PROVIDING INGRESS AND EGRESS TO PARCEL 1 DESCRIBED ABOVE, OVER, ACROSS AND UPON THAT PORTION OF SECTION 1, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, BEING A STRIP OF LAND 60.00 FEET IN WIDTH, LYING 30.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 1, ALSO BEING THE SOUTHWEST CORNER OF THAT CERTAIN REAL PROPERTY CONVEYED TO PAUL J. AND LUCILLE HUBBS BY INSTRUMENT NO. 21232 RECORDED FEBRUARY 8, 1977 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID SECTION 1, ALSO BEING THE SOUTH LINE OF THE AFORESAID HUBBS PROPERTY, TO A POINT DISTANT 30.00 FEET, AS MEASURED AT RIGHT ANGLES FROM THE WEST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 1, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE NORTH 0° 12' 53" EAST, PARALLEL WITH AND DISTANT 30.00 FEET, AS MEASURED AT RIGHT ANGLES FROM SAID WEST LINE, CENTERLINE DISTANCE OF 1,259.58 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 500.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42° 54' 43" AN ARC DISTANCE OF 374.48 FEET TO THE POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 300.00 FEET;

THENCE CONTINUING NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 39' 27", AN ARC DISTANCE 123.87 FEET;

THENCE NORTH 19° 02' 23" WEST, PARALLEL WITH AND DISTANT 30.00 FEET, AS MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF THE LAND CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN

CALIFORNIA, BY DEEDS RECORDED MARCH 27, 1936, IN BOOK 273 PAGE 104 AND MARCH 12, 1936 IN BOOK 268 PAGE 498 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, A DISTANCE OF 521.09 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 300.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27° 33, 52" AN ARC DISTANCE OF 144.33 FEET;

THENCE NORTH 8° 31' 28" EAST, A DISTANCE OF 9.08 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE, WESTERLY, HAVING A RADIUS OF 465.00 FEET;

THENCE CONTINUING NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30° 07' 53", AN ARC DISTANCE OF 244.54 FEET;

THENCE NORTH 21° 36' 24" WEST, A DISTANCE OF 54.37 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1,030.00 FEET;

THENCE CONTINUING NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 1° 31' 13", AN ARC DISTANCE OF 27.33 FEET TO A POINT IN THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, WHICH IS DISTANT 409.91 FEET WESTERLY OF THE CENTER ONE-QUARTER CORNER, SAID POINT BEING THE END OF THIS CENTERLINE DESCRIPTION.

THE SIDELINES OF SAID 60.00 FOOT WIDE STRIP OF LAND SHALL BE LENGTHENED OR SHORTENED SO AS TO TERMINATE IN THE SOUTH LINE OF THE SOUTHEAST ONE-QUARTER END IN THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1.

PARCEL 4:

A NON-EXCLUSIVE EASEMENT FOR SLOPES AS DESCRIBED IN DOCUMENT RECORDED DECEMBER 2, 1999 AS INSTRUMENT NO. 525991 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

